THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises (i) a circular prepared in accordance with the Listing Rules of the UK Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA and (ii) a prospectus for the purposes of Article 3 of the European Union Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") prepared in accordance with the Prospectus Rules of the FCA made under section 73A of FSMA, is being sent to the shareholders of JPJ Group plc (the "**Company**"). If you have sold or otherwise transferred all of your ordinary shares of £0.10 each in the Company ("**JPJ Shares**") you should send this document and, if relevant, the enclosed form of proxy (and reply-paid envelope) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred any part of your registered holding of JPJ Shares, please contact your bank, stockbroker or other agent through whom the sale or transfer was effected immediately.

This document has been approved by the FCA in accordance with section 87A of FSMA and will be made available to the public free of charge and during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the Company's offices at 16 Berkeley Street, London, England, W1J 8DZ and on the Company's website, www.JPJgroup.com/investors, in accordance with paragraph 3.2.2 of the Prospectus Rules. A copy of this document has been filed with the FCA in accordance with paragraph 3.2.1 of the Prospectus Rules.

Holders of JPJ Shares ("**JPJ Shareholders**") are advised to examine all the risks that might be relevant in connection with the value of their investment in JPJ Shares. This document should be read as a whole. In particular, your attention is drawn to the sections entitled "*Risk Factors*" and "*Part 1: Letter from the Chairman of JPJ Group plc*" which recommends that, if you are a JPJ Shareholder, you vote in favour of the JPJ Shareholder Resolutions to be proposed at the general meeting of JPJ to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT (the "**JPJ General Meeting**").

JPJ Group plc

(Incorporated under the Companies Act 2006 and registered under the laws of England and Wales with registered no. 10303804)

Acquisition of the business, assets and liabilities of the Gamesys Group, save for the Residual Business

Proposed issue of 33,653,846 JPJ Shares to the Gamesys Shareholders in connection with the Acquisition, in addition to £250 million cash consideration

Application for admission of the New JPJ Shares and readmission of the Existing JPJ Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

and

Circular to JPJ Shareholders and Notice of General Meeting

Lead Financial Adviser	Sponsor, Co-Financial Adviser & Broker
MACQUARIE CAPITAL (EUROPE) LIMITED	**CANACCORD GENUITY LIMITED**

None of the New JPJ Shares are being made generally available to the public in conjunction with the proposed acquisition by the JPJ Group of the "**Target Business**", being the entirety of the business, assets and liabilities currently comprised within Gamesys (Holdings) Limited ("**Gamesys**") and its subsidiaries and subsidiary undertakings (the "**Gamesys Group**"), save for the business, assets and liabilities relating to (i) the "Virgin Bet" branded sports betting business of the Gamesys Group and the "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**"), as detailed more fully in "*Part 1: Letter from the Chairman of JPJ Group plc*" (the "**Acquisition**").

As the Acquisition is classified as a reverse takeover for the purpose of the Listing Rules, upon completion of the Acquisition ("**Completion**") the listing of the Existing JPJ Shares on the premium listing segment of the Official List maintained by the FCA (the "**Official List**") will be cancelled. Simultaneously, applications will be made to (i) the FCA for the 33,653,846 new JPJ Shares to be issued by JPJ in connection with the Acquisition (the "**New JPJ Shares**") to be admitted and for the existing JPJ Shares immediately prior to Admission (the "**Existing JPJ Shares**") to be readmitted to the premium listing segment of the Official List; and (ii) the London Stock Exchange plc (the "**London Stock Exchange**") for the New JPJ Shares to be admitted and for the Existing JPJ Shares to be readmitted to trading on the London Stock Exchange's main market for listed securities (the "**Main Market**") (together, "**Admission**").

It is expected that Admission will become effective and that dealings in the Existing JPJ Shares and the New JPJ Shares will commence at 8.00 a.m. on the business day following the date of Completion which, subject to the satisfaction or waiver (if capable of waiver) of certain conditions (other than those conditions which relate to Admission), is expected to occur in the third quarter of 2019. The New JPJ Shares will, when issued, rank pari passu in all respects with the Existing JPJ Shares. No application will be made for the JPJ Shares to be admitted to listing or dealt with on any other stock exchange. The JPJ Shares will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Notice of the JPJ General Meeting, to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT, is set out at the end of this document. A form of proxy is enclosed for use by JPJ Shareholders in connection with the JPJ General Meeting. To be valid, the forms of proxy, completed in accordance with the instructions thereon, must be received by the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible but in any event by no later than 2 p.m. (London time) on 29 July 2019. JPJ Shareholders may also lodge their votes and appoint a proxy electronically by visiting the website www.investorcentre.co.uk/eproxy. Completion and return of a form of proxy will not preclude such JPJ Shareholders from attending and voting at the JPJ General Meeting should they so wish, in which case any votes of the proxy will be superseded.

Macquarie Capital (Europe) Limited ("**Macquarie**") is authorised and regulated by 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 document or any other matter referred to in this document.

Canaccord Genuity Limited ("**Canaccord**"), which is authorised and regulated by the FCA, is acting for the Company and no one else in connection with the Acquisition and Admission. In connection with such matters, Canaccord will not regard any person other than the Company as its client, nor will it 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, Admission or any other matter referred to in this document. Canaccord and its affiliates may have engaged in transactions with and provided various investment banking, financial advisory and other services for, the Company for which they would have received customary fees.

Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord and/or Macquarie by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Canaccord and/or Macquarie do not accept any responsibility or liability whatsoever for the contents of this document, and make no representation or warranty, express or implied, as to the contents of this document or for any other statement made or purported to be made by it or them, or on its or their behalf, in connection with the JPJ Group, the Target Business, the New JPJ Shares, the Existing JPJ Shares, the Acquisition or Admission and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Canaccord and/or Macquarie and each of their subsidiaries, branches and affiliates accordingly disclaim 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 document or any such statement.

The Company, the directors of the Company (the "**JPJ Directors**") and each of the proposed directors of the Company (the "**Proposed Directors**"), whose names appear in the section of this document headed "*Directors, Proposed Directors, Registered Office and Advisers*", accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the JPJ Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

NONE OF THE COMPANY, MACQUARIE OR CANACCORD OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, IS MAKING ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR IN THE JPJ SHARES REGARDING THE LEGALITY OF ANY INVESTMENT BY A PROSPECTIVE INVESTOR UNDER THE LAWS APPLICABLE TO SUCH PROSPECTIVE INVESTOR.

Recipients of this document are authorised to use it solely for the purpose of considering the terms of the Acquisition, and may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information herein for any purpose other than considering the terms of the Acquisition. Such recipients of this document agree to the foregoing by accepting delivery of this document.

Notice to overseas JPJ Shareholders

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, any JPJ Shares to any person in any jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company to permit a public offering of the JPJ Shares or to permit the possession, issue or distribution of this document in any jurisdiction where action for that purpose may be required. Accordingly, neither this document nor any advertisement nor any offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, no actions have been taken to allow a public offering of the JPJ Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. Subject to certain exceptions, the JPJ Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan.

JPJ Shareholders should only rely on the information contained in this document and the documents (or parts thereof) incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this document and the documents (or parts thereof) incorporated herein by reference, and, if given or made, such information or representations must not be relied on as having been so authorised by or on behalf of the Company, the JPJ Directors, the Proposed Directors, Macquarie or Canaccord. None of the aforementioned persons take any responsibility or liability for, and can provide no assurance as to the reliability of, other information that JPJ Shareholders may have been given. In particular, the contents of the Company's and the Gamesys Group's websites do not form part of this document, and JPJ Shareholders should not rely on them.

Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Prospectus Rule 3.4, neither the delivery of this document nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company, the JPJ Group, the Target Business or the enlarged group following Completion, comprised of the JPJ Group and the Target Business (the "**Enlarged Group**"), since the date of this document, or that the information in it is correct as of any time subsequent to its date. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH JPJ SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISER, FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

The date of this document is 27 June 2019.

CONTENTS

SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A-E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in this summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in this summary with the mention of "not applicable".

Section A – Introduction and warnings		
Element		
A.1	**Introduction**	This summary should be read as an introduction to this document. Any decision to invest in the JPJ Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the relevant national legislation of the member states of the European Economic Area, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Consent to use this document for subsequent resale**	Not applicable. The Company has not given consent to the use of this document for subsequent resale or any final placement of securities by financial intermediaries.
Section B – Issuer		
Element		
B.1	**Legal and commercial name of issuer**	JPJ Group plc ("**JPJ**" or the "**Company**").
B.2	**Domicile/legal form/ legislation/ country of incorporation**	The Company is a public limited company, incorporated on 29 July 2016 in England and Wales with registered number 10303804 with its registered office situated in England and Wales. On 27 June 2018, the Company changed its name from Jackpotjoy plc to JPJ Group plc. The Company operates under the Companies Act 2006 and the Existing JPJ Shares are admitted to the premium listing segment of the Official List of the FCA and admitted to trading on the London Stock Exchange's main market for listed securities (the "**Main Market**").
B.3	**Current operations/ principal activities and markets**	The Company is the parent company of an online gaming group that provides gaming and entertainment to a global consumer base through its subsidiaries. The Company currently offers online bingo, slots and casino games to its customers through its subsidiaries using the Jackpotjoy, InterCasino, Vera&John, Starspins and Botemania brands. The JPJ Group offers bingo, slots, casino games and other gaming-focused entertainment to a global customer base. The Jackpotjoy Business focuses on real

		money online bingo-led entertainment and the Vera&John Business focuses on real money online casino entertainment also in part through its InterCasino brand. In 2018, 57 per cent. of the JPJ Group's revenues were derived from the UK (as compared to 64 per cent. in 2017) and the Nordic region accounted for 11 per cent. of revenue in 2018 (as compared to 14 per cent. in 2017). Only 17 per cent. of revenue in 2018 was earned from customers outside of Europe (as compared to 12 per cent. in 2017). Currently, the JPJ Group's international operations are licensed or operate through the licences of third-party service providers in Malta, Gibraltar, the UK, Spain and Sweden. Malta and Gibraltar are well established online gaming jurisdictions, with comprehensive online gaming regulatory frameworks and policies in place. As a result, Malta and Gibraltar license and host many of the industry's largest operators.
B.4.a	**Significant recent trends**	The global online gambling market, in which the JPJ Group and the Target Business operate, has an annual value of approximately £50 billion and delivered double-digit growth in 2018, according to Regulus Partners estimates. The online gaming market represented approximately 50 per cent. of the overall online gambling market value according to Regulus Partners estimates, with online betting outperforming, in addition to online gaming growth in Asia and other emerging markets (due to mobile adoption and variance in win margins). The level of growth in different markets is linked with their respective maturity profiles. In the UK there are three maturity headwinds that have reduced overall online gaming growth. The first is underlying sector maturity: smartphone penetration is very high, consumer data costs are low and advertising has been broad, making consumer adoption rapid. Secondly, online gambling has delivered relatively rapid channel shift from land-based gambling. Finally, the UK has introduced a number of changes to its tax and responsible gambling regimes, which have especially impacted the high-value accounts. However, the countervailing positives to the slowdown in growth can be seen as increasing sustainability through more active responsible gaming management. Going forward, the JPJ Directors believe there should be increased opportunities for larger brands to drive consolidation and gain market share. There are similar maturity considerations in Sweden, which is another main market for the JPJ Group. In contrast, other markets in which the JPJ Group operates, such as Spain, are not providing the same challenges. Spain is a less mature jurisdiction, with lower smartphone usage and less channel shift. Moreover, the Spanish regulatory regime is currently relatively liberal, although a review is being carried out into gambling advertising, which could lead to restrictions on gambling advertising or even a total ban on gambling advertising. The relative lack of maturity suggests strong double-digit market growth in the medium- to long-term, as estimated by Regulus Partners. Additionally, the Far East markets are significantly less mature than the UK or Sweden and consequently, the JPJ Directors believe, should collectively exhibit strong growth in the medium to long term, albeit with varying degrees of regulatory risk and opportunity. Overall, the global online gambling industry is changing shape but continuing to deliver attractive growth. While more mature markets are showing signs of moderation, the JPJ Directors believe that the increasing regulation should lead to greater sustainability, market share gains for leading brands and industry consolidation. In less mature markets, online gambling is exhibiting much higher growth driven by broader consumer digital dynamics and rising smartphone adoption. The JPJ Directors believe the global online gambling market is therefore becoming a more balanced business environment with sustainable growth in mature markets alongside regions exhibiting higher but less predictable growth. The JPJ Directors believe the JPJ Group is proven in both environments, providing access to both growth and sustainability. In response to the prevailing trends in the online gambling market, the JPJ Group's business model has been adapted to meet the new challenges. The JPJ Group's strategy is centred around three key tenets: customer focus, geographic

		diversification and adding capability across the JPJ Group. Knowing the customer remains an organisational imperative and, during 2018, the JPJ Group invested significantly in building data architecture in order to better understand customers and enable the JPJ Group to build long-term, sustainable relationships with customers to support revenue growth in the future. The JPJ Group has also undertaken geographic diversification in response to its UK operations facing significant fiscal and regulatory challenges in 2018. To mitigate risk and open up new opportunities for growth, there has been an increased focus on the international markets, with these markets accounting for a bigger share of the JPJ Group's revenue than in previous years. The implementation of fiscal and regulatory measures in the UK initially had a negative impact on the JPJ Group's profitability but the JPJ Group has adapted and changed its business model for the better in a number of areas. Despite the challenges, there was a robust performance in the flagship Jackpotjoy brand in the UK. The smaller brands proved more problematic and, following a strategic review, the decision was taken by the JPJ Group to dispose of its Mandalay business, the sale of which completed on 12 March 2019. The JPJ Group has also focused on adding capability into the business in terms of people, product, platform and marketing. It has added high-quality individuals, invested in above-the-line marketing and established a marketing service company specialising in digital marketing. Significant investment has also been made in technology: investment in the proprietary enJoy Platform has enabled the JPJ Group to generate a significant proportion of its revenue on proprietary technology. The enJoy Platform is now suitable for serving both regulated and unregulated markets with one platform. The JPJ Group also developed a product function to build its product roadmap and improve the quality of customer experience, along with developing in-house content in order to allow it to differentiate its offer and seek to increase operating margins. The development of a content aggregation business has also enabled the JPJ Group to serve content to operators worldwide.
B.5	**Group description**	The Company is the ultimate holding company of the JPJ Group. The Target Business is currently part of the Gamesys group of companies, comprising Gamesys (Holdings) Limited ("**Gamesys**") and its subsidiaries and subsidiary undertakings (the "**Gamesys Group**"). Gamesys is the ultimate holding company of the Gamesys Group. Under the terms of the conditional sale and purchase agreement in respect of the entire issued share capital of Reunited Target Newco Limited, a company incorporated in Jersey ("**Target Group Holdco**"), entered into between Noel Hayden, Andrew Dixon, Robin Tombs, Lee Fenton, Robeson Reeves and Michael Mee (the "**Gamesys Majority Shareholders**") and the Company dated 13 June 2019 (the "**Primary Sale Agreement**"), the Gamesys Majority Shareholders shall effect prior to Completion (and, where relevant, procure that the other shareholders of Gamesys (the "**Gamesys Minority Shareholders**") shall effect): (i) the internal reorganisation of the Gamesys Group into three different sub-groups of companies which will respectively hold the Target Business, the Residual Content Business and the Residual Sports Business; (ii) the insertion of Reunited Holdings Limited, a company incorporated in Jersey ("**Residual Business Holdco**") as a new holding company of Gamesys and the reorganisation of the share capital of Residual Business Holdco; (iii) the separation of the Target Business, on the one hand, and the Residual Content Business and the Residual Sports Business, on the other, by way of demerger, following which the Gamesys Majority Shareholders and the Gamesys Minority Shareholders (together, the "**Gamesys Shareholders**") will hold the entire issued share capital of each of (i) Target Group Holdco, which will hold the Target Business; and (ii) Residual Business Holdco,

		which will hold the Residual Content Business and the Residual Sports Business; and (iv) the buyback of all of Lee Fenton and Robeson Reeves' respective shares in Residual Business Holdco and the investment by Lee Fenton and Robeson Reeves into Livescore Sports & Media Limited, a company incorporated in England and Wales ("**Sports Holdco**"). Thereafter, all Gamesys Shareholders (other than Lee Fenton and Robeson Reeves) will hold the entire issued share capital of Residual Business Holdco which, in turn, will hold the entire issued share capital of Rabbitfoot Games (UK) Limited, a company incorporated in England and Wales ("**Content Holdco**"), which will hold the Residual Content Business and, together with Lee Fenton and Robeson Reeves, the entire issued share capital of Sports Holdco, which will hold the Residual Sports Business, together, the "**Gamesys Group Reorganisation**", in order to carve out the Target Business from the Gamesys Group by the creation of a group of companies holding all assets and liabilities comprised within the Target Business, the ultimate holding company of which will be Target Group Holdco, and which will be owned by the Gamesys Shareholders (the "**Target Group**"). Following the Gamesys Group Reorganisation, which will take place approximately one week before Completion, and immediately prior to Completion, the entire issued share capital of Target Group Holdco (which at such time will be the holding company of the Target Group and, therefore, the Target Business) will be owned by the Gamesys Shareholders. Pursuant to the Primary Sale Agreement and the separate sale and purchase agreement to be entered into between the Gamesys Minority Shareholders and the Company on or before Completion (the "**Secondary Sale Agreement**"), at Completion, the Gamesys Shareholders will sell the entire issued share capital of Target Group Holdco to the Company. Following Completion, the Company will be the ultimate holding company of the enlarged group, comprised of the JPJ Group and the Target Business (the "**Enlarged Group**"). Upon Completion, in light of the strong brand recognition and goodwill attached to the "Gamesys" name, the Company will be renamed Gamesys Group plc.

B.6	**Shareholders**	Insofar as it is known to the Company (based on voteholder notifications made under the Disclosure Guidance and Transparency Rules and/or the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**"), and information provided to it by the Target Business), the following persons are, or are expected to be at Admission, interested directly or indirectly in three per cent. or more of the voting rights in respect of the JPJ Shares based on the assumptions that the holdings of such persons in the Company and Gamesys as at 25 June 2019 (being the latest practicable date prior to the date of this document (the "**Latest Practicable Date**") do not change, 33,653,846 JPJ Shares are issued in connection with the Acquisition, and no other issues of JPJ Shares occur between the date of this document and Admission:

	As at the Latest Practicable Date		**Immediately following Admission**	
Name	**Number of JPJ Shares**[(1)]	**Percentage of the Company's issued share capital**[(1)]	**Number of JPJ Shares**[(1)]	**Percentage of the Company's issued share capital**[(1)]
HG Vora Special Opportunities Master Fund Limited	12,950,000	17.39	12,950,000	11.98
Goldman Sachs International	5,282,824	7.09	5,282,824	4.89
DNB Asset Management A/S	4,495,281	6.04	4,495,281	4.16
Intertain JerseyCo Limited[(2)]	3,539,328	4.75	3,539,328	3.27
Noel Hayden	2,427,708	3.26	16,152,368[(5)]	14.94[(5)]
Andrew Dixon[(3)]	551,262	0.74	5,725,871[(5)]	5.30[(5)]
Robin Tombs[(4)]	498,223	0.67	4,508,844[(5)]	4.17[(5)]

Notes:

(1) Including notifiable interests in voting rights in respect of certain financial statements pursuant to DTR 5.3.1 R.

(2) Intertain JerseyCo Limited ("**JerseyCo**") was incorporated in order to facilitate the exercise of voting rights in the Company by the holders of Exchangeable Shares in The Intertain Group Limited ("**Intertain**") following a reorganisation transaction in 2017 offering a share-for-share exchange of former Intertain shares for JPJ Shares. JerseyCo holds underlying shares in the Company, the voting rights of which are directed by holders in Exchangeable Shares in Intertain pursuant to a power of attorney granted by JerseyCo to a voting trustee. When Exchangeable Shareholders exchange their Exchangeable Shares for ordinary shares in the Company, JerseyCo transfers the relevant number of ordinary shares to such holder. JerseyCo does not carry on any business except in connection with these functions and does not sit within the JPJ Group. lntertain has publicly announced that it intends to seek the approval of the holders of Exchangeable Shares to amend the Exchangeable Share Provisions to provide for the early redemption of the Exchangeable Shares. This amendment is subject to an approval of the Exchangeable Shareholders by a special resolution of not less than two-thirds of the Exchangeable Shares represented at the meeting to be called for the purpose of considering this amendment, either in person or by proxy. If this amendment is approved and the Exchangeable Shares redeemed as intended, it would have the effect of rationalising the Company's share structure.

(3) As at the Latest Practicable Date, Andrew Dixon's aggregate interest held directly or indirectly in the Company was 0.74 per cent. This consisted of (i) his 0.71 per cent. direct interest in the Company and (ii) his 0.03 per cent. indirect interest held through Woodhaven Trust. Immediately following Admission, Andrew Dixon's aggregate interest held directly or indirectly in the Company is estimated to be 5.30 per cent. This estimate consists of (i) his 5.22 per cent. direct interest in the Company and (ii) his 0.08 per cent. indirect interest held through Woodhaven Trust and is based on the assumptions set out in note (4) below.

(4) As at the Latest Practicable Date, Robin Tombs's and members of his family's aggregate interest held directly or indirectly in the Company was 0.67 per cent. This consisted of (i) his and members of his family's 0.65 per cent. direct interest in the Company and (ii) his and members of his family's 0.02 per cent. indirect interest held through Zing Trust. Immediately following Admission, Robin Tombs's and members of his family's aggregate interest held directly or indirectly in the Company is estimated to be 4.17 per cent. This estimate consists of (i) his and members of his family's 4.10 per cent. direct interest in the Company and (ii) his and members of his family's 0.07 per cent. indirect interest held through Zing Trust and is based on the assumptions set out in note (4) below.

(5) Although the number of New JPJ Shares to be issued to all Gamesys Shareholders in aggregate is fixed at 33,653,846 JPJ Shares, the distribution of those Consideration Shares amongst the Gamesys Shareholders will, in part, be a function of the Gamesys Group Reorganisation (which is expected to occur approximately one week prior to Completion) and calculated with reference to (i) the share price of JPJ Shares at such time (the "**Reorganisation Reference Price**"); and (ii) the value of the Residual Sports Business and the Residual Content Business at such time (the "**Residual Business Valuation**"). Accordingly, the figures quoted are based on the Gamesys Group Reorganisation as if it had occurred at the Latest Practicable Date and, therefore, (i) the price of the JPJ Shares as at the

		Latest Practicable Date of £7.32 per JPJ Share and (ii) the value of the Residual Sports Business and the Residual Content Business as at the Latest Practicable Date. Irrespective of the Reorganisation Reference Price and the Residual Business Valuation at the time of implementing the Gamesys Group Reorganisation, the maximum aggregate direct and indirect shareholdings of Noel Hayden, Andrew Dixon and Robin Tombs, as defined above, immediately following Admission will not exceed, 15.32 per cent., 5.35 per cent. and 4.21 per cent., respectively. None of the JPJ Shareholders referred to in the table set forth above has or will have voting rights which differ from those of any other JPJ Shareholder in respect of any JPJ Shares held by them. Insofar as is known to the Company, there is no person who will or could, directly or indirectly, jointly or severally, exercise control over the Company.
B.7	**Selected historical key financial information**	**HISTORICAL KEY FINANCIAL INFORMATION OF THE JPJ GROUP** Selected historical financial information which summarises the results of operations and financial condition of the JPJ Group for the three months ended 31 March 2018 and 31 March 2019 and for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 is set out in the following tables. Information provided for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 is audited and has been extracted without material adjustment from JPJ's Annual Report and Accounts 2018 and JPJ's Transfer Announcement. Information for the three months ended 31 March 2018 and 31 March 2019 is unaudited and has been extracted without material adjustment from JPJ's Q1 2019 Results. JPJ Shareholders should ensure that they read the whole of this document and not only rely on the key information or information summarised within it.

Consolidated Income Statements

	Year ended			3 months ended	
	31 December 2016	31 December 2017	31 December 2018	31 March 2018	31 March 2019
		(audited)		(unaudited)	
			(£000's)		
Revenue and other income					
Gaming revenue	266,938	289,258	319,588	74,008	83,292
Other income earned from revenue guarantee	1,181	-	-	-	-
Other income earned from platform migration	925	-	-	-	-
Total revenue and other income	**269,044**	**289,258**	**319,588**	**74,008**	**83,292**
Costs and expenses					
Distribution costs	130,735	140,736	158,865	38,171	41,338
Administrative costs	96,200	107,412	109,444	24,800	26,623
Severance costs	5,695	700	850	450	-
Transaction related costs	22,767	6,710	1,888	-	1,115
Foreign exchange loss	3,098	9,857	354	363	227
Total costs and expenses	**258,495**	**265,415**	**271,401**	**63,784**	**69,303**
Gain on sale of intangible assets	-	**(1,271)**	-	-	-
Fair value adjustments on contingent consideration	49,382	27,562	7,208	11,450	460
(Gain)/loss on cross-currency swap	(34,070)	12,512	-	-	-
Interest income	(156)	(182)	(349)	(85)	(99)
Interest expense	18,243	30,189	19,821	4,939	4,922
Accretion on financial liabilities	17,857	25,049	2,993	1,537	343
Financing expenses	**51,256**	**95,130**	**29,673**	**17,841**	**5,626**
Net income/(loss) for the year/period before taxes from continuing operations	**(40,707)**	**(70,016)**	**18,514**	(7,617)	8,363
Current tax provision	347	1,128	853	471	558
Deferred tax recovery	(411)	(427)	(395)	(99)	(91)
Net income/(loss) for the year/period after taxes from continuing operations	**(40,643)**	**(70,717)**	**18,056**	**(7,989)**	**7,896**
Net (loss)/income from discontinued operations	**-**	**2,820**	**(3,579)**	**242**	**(1,318)**
Net loss for the year/period attributable to owners of the parent	**(40,643)**	**(67,897)**	**14,477**	**(7,747)**	**6,578**
Other comprehensive income/(loss): ***Items that will or may be reclassified to profit or loss in subsequent periods***					
Foreign currency translation gain/(loss)	(18,382)	27,607	394	(883)	321
Loss on cross-currency swap	-	(7,737)	-	(415)	(781)
Reclassification of loss on cross-currency swap	-	7,737	-	-	-
Unrealised loss on interest rate swap	-	-	(1,141)	-	-
Total comprehensive loss for the year/period attributable to owners of the parent	**(59,025)**	**(40,290)**	**13,730**	**(9,045)**	**6,118**
Net income/(loss) for the year/period per share					
Basic	£ (0.57)	£ (0.92)	£ 0.20	£ (0.10)	£ 0.09
Diluted	£ (0.57)	£ (0.92)	£ 0.19	£ (0.10)	£ 0.09

Consolidated Balance Sheets

	31 December 2016	31 December 2017	31 December 2018	31 March 2018	31 March 2019
	Year ended			3 months ended	
	(audited)			(unaudited)	
			(£000's)		
ASSETS					
Current assets					
Cash	68,485	59,033	84,383	76,231	106,146
Restricted cash	253	208	6,161	282	9,458
Customer deposits	8,573	8,180	9,032	7,908	13,053
Trade and other receivables	16,763	19,379	17,070	17,950	24,826
Current portion of cross-currency swap	38,171	-	-	-	-
Taxes receivable	6,832	6,432	7,313	6,736	7,141
Total current assets	**139,077**	**93,232**	**123,959**	**109,107**	**160,624**
Tangible assets	852	1,339	2,232	1,278	2,049
Intangible assets	352,473	292,223	226,324	277,489	208,770
Goodwill	296,352	296,781	288,355	295,863	271,992
Right-of-use assets	-	-	-	-	2,939
Other long-term receivables	2,624	5,604	5,036	5,453	5,021
Total non-current assets	**652,301**	**595,947**	**521,947**	**580,083**	**490,771**
Total assets	**791,378**	**689,179**	**645,906**	**689,190**	**651,395**
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8,992	17,821	20,606	17,209	17,859
Other short-term payables	15,321	12,151	9,709	10,668	10,278
Interest payable	633	924	264	898	85
Payable to customers	8,573	8,180	9,032	7,908	13,053
Convertible debentures	-	254	-	57	-
Current portion of long-term debt	26,695	-	-	-	-
Current portion of contingent consideration	86,903	51,866	4,540	63,782	5,000
Provision for taxes	7,743	7,273	8,169	7,969	7,789
Total current liabilities	**154,860**	**98,469**	**52,320**	**108,491**	**54,064**
Contingent consideration	33,284	7,717	-	8,274	-
Other long-term payables	14,505	8,245	1,817	6,925	880
Lease liabilities	-	-	-	-	2,958
Deferred tax liability	1,897	1,204	1,196	1,436	986
Convertible debentures	3,266	-	-	-	-
Long-term debt	344,098	369,487	371,450	368,311	366,495
Total non-current liabilities	397,050	386,653	374,463	**384,946**	**371,319**
Total liabilities	551,910	485,122	426,783	**493,437**	**425,383**
Equity					
Share capital	7,298	7,407	7,434	7,427	7,445
Share premium and other reserves	232,170	196,650	211,689	188,326	218,567
Total equity	**239,468**	**204,057**	**219,123**	195,753	226,012
Total liabilities and equity	**791,378**	**689,179**	**645,906**	**689,190**	**651,395**

Consolidated Cash Flow Statements

	Year ended			3 months ended	
	31 December 2016	31 December 2017	31 December 2018	31 March 2018	31 March 2019
	(audited)			(unaudited)	
			(£000's)		
Operating activities					
Net income/(loss) for the year/period	(40,643)	(67,897)	14,477	(7,747)	6,578
Add (deduct) items not involving cash					
Amortisation and depreciation	56,133	63,042	61,994	15,563	14,707
Share-based compensation expense	2,264	1,429	583	156	90
Current tax provision	347	1,128	853	471	558
Deferred tax recovery	(411)	(427)	(395)	(99)	(91)
Interest expense, net	35,944	55,056	22,465	6,391	5,166
Gain on sale of intangible assets	-	(1,271)	-	-	-
Fair value adjustments on contingent consideration	49,382	27,562	7,208	11,450	460
Unrealised/realised (gain)/loss on cross-currency swap	(34,070)	12,512	-	-	-
Foreign exchange loss	3,098	10,051	317	410	227
Loss on sale of discontinued operation, net of tax	-	-	4,477	-	26
	72,044	**101,185**	**111,979**	**26,595**	**27,721**
Change in non-cash operating items					
Restriction of cash balances	-	(72)	(5,900)	(75)	(3,592)
Trade and other receivables	3,434	(3,009)	950	(240)	(1,595)
Other long-term receivables	(1,161)	640	(74)	180	15
Accounts payable and accrued liabilities	1,851	6,363	2,705	(625)	(1,762)
Other short-term payables	7,987	(3,170)	(2,871)	(1,483)	569
Cash provided by operating activities	**84,155**	**101,937**	**106,789**	**24,352**	**21,356**
Income taxes paid	(6,680)	(6,899)	(3,325)	-	(727)
Income taxes received	5,530	5,860	2,484	-	-
Total cash provided by operating activities	**83,005**	**100,898**	**105,948**	**24,352**	**20,629**
Financing activities					
Proceeds from exercise of warrants	209	-	-	-	-
Proceeds from exercise of options	1,286	422	561	393	681
Lease payments	-	-	-	-	(272)
Proceeds from long-term debt, net of debt issue costs	150,726	367,743	-	-	-
Debenture settlement	-	-	(62)	-	-
Proceeds from long-term receivable	-	-	645	-	-
Proceeds from cross-currency swap settlements	3,645	26,094	-	-	-
Payment of non-compete liability	-	(5,333)	(8,000)	(2,000)	(2,000)
Interest repayment	(17,526)	(30,874)	(21,007)	(4,926)	(5,008)
Payment of contingent consideration	(156,308)	(94,218)	(63,455)	-	-
Principal payments made on long-term debt	(26,906)	(373,962)	-	-	-
Total cash used in financing activities	**(44,874)**	**(110,128)**	**(91,318)**	**(6,533)**	**(6,599)**
Investing activities					
Purchase of tangible assets	(638)	(981)	(1,450)	(74)	(602)
Purchase of intangible assets	(1,862)	(3,212)	(5,250)	(1,087)	(1,227)
Proceeds from sale of intangible assets	-	1,002	1,450	1,450	-
Disposal of discontinued operation	-	-	16,140	-	12,000
Secured convertible loan	-	(3,500)	-	-	-
Total cash used in investing activities	**(2,500)**	**(6,691)**	**10,890**	**289**	**10,171**
Net increase/(decrease) in cash during the year	**35,631**	**(15,921)**	**25,520**	18,108	24,201
Cash, beginning of year	31,762	68,485	59,033	59,033	84,383
Exchange gain on cash and cash equivalents	1,092	6,469	(170)	(910)	(2,438)
Cash, end of year	**68,485**	**59,033**	**84,383**	**76,231**	**106,146**

		Certain significant changes to the JPJ Group's financial condition and operating results have occurred during the three years ended 31 December 2016, 2017 and 2018 and during the three months ended 31 March 2019. These changes are described below: • On 8 April 2015, Intertain entered into a credit agreement which was amended on 27 October 2016 to, amongst other things, permit the prepayment of a portion of the Jackpotjoy Earn-Out Payments, establish an approximately £53.3 million incremental first lien term facility and a €20 million first lien term loan facility and to permit the incurrence of the £90 million second lien term loan facility, which Intertain obtained pursuant to a second lien credit agreement (such facilities collectively the "**Previous Credit Facilities**"). • On 28 March 2017, JPJ Group entered into a new cross-currency swap agreement. On 4 December 2017, the JPJ Group made a payment of £8.3 million to settle the new cross-currency swap in full. • On 22 June 2017, the JPJ Group made the final earn-out payment in respect of Jackpotjoy and Starspins and a portion of the earn-out for its Spanish brand, Botemania. The aggregate amount of this payment was approximately £94.2 million (including approximately £30.3 million in respect of Botemania) and was paid using existing cash resources. • On 27 November 2017, the Company secured a £388.5 million senior secured term and revolving credit facility comprised of an approximately £375 million equivalent term loan and a revolving credit facility of approximately £13.5 million (together, the "**Credit Facilities**"). The proceeds from the term loan was used to repay the Previous Credit Facilities. • On 18 June 2018, the JPJ Group made its second and final earn-out payment in respect of its Spanish brand, Botemania. The aggregate amount of this payment was approximately £63.5 million and was paid using existing cash resources. • On 3 September 2018, the JPJ Group completed the disposal of its non-core social gaming business to Bagelcode Co. Ltd., a South Korea-based gaming company, for cash consideration of £18.0 million, to enable the JPJ Group to focus on its core activity of real money online gaming and on reducing its net leverage. • On 19 February 2019, the Company entered into an agreement for the sale of its Mandalay business to a subsidiary of 888 Holdings plc in exchange for total cash consideration of £18 million. The sale completed on 12 March 2019, following the conclusion of an employee consultation process. £12 million of the cash consideration was paid on completion with the remaining £6 million expected to be paid in September 2019. Save for the Acquisition and save as described below, there has been no significant change in the financial condition or operating results of the JPJ Group since 31 March 2019, being the end of the last financial period for which the JPJ Group's financial information has been published: • On 13 June 2019, the Company entered into a commitment for an additional term loan facility commitment of an aggregate additional euro equivalent of £175 million under the EUR TLB Loan Facility in connection with the financing of the cash consideration payable to the Gamesys Shareholders pursuant to the Acquisition.

HISTORICAL KEY FINANCIAL INFORMATION OF THE TARGET BUSINESS

Selected historical financial information which summarises the results of operations and financial condition of the Target Business for the three years ended 31 March 2016, 31 March 2017 and 31 March 2018 and the nine months ended 31 December 2017 and 31 December 2018 is set out in the following tables. Such information is audited (save for the comparative financials for the nine months ended 31 December 2017) and has been extracted without material adjustment from "*Part 8: Historical Financial Information of the Target Business*".

Consolidated Income Statements

	Year ended			9 months ended	
	31 March 2016	**31 March 2017**	**31 March 2018**	**31 December 2017**	**31 December 2018**
		(audited)		**(unaudited)**	**(audited)**
			(£000s)		
Revenue					
Gaming revenue	58,914	99,977	163,305	118,409	139,659
Support service revenue	80,425	91,325	108,894	80,345	83,422
Total revenue	**139,339**	**191,302**	**272,199**	**198,754**	**223,081**
Costs and expenses					
Distribution costs	86,883	117,552	162,038	120,216	126,606
Administrative expenses	50,810	60,238	67,172	48,060	53,310
Foreign exchange (gain) / (loss)	(326)	(410)	188	62	114
Total costs and expenses	**137,367**	**177,380**	**229,398**	**168,338**	**180,030**
Other income	-	-	12,000	9,000	9,000
Interest income	691	688	454	346	427
	691	**688**	**12,454**	**9,346**	**9,427**
Net profit for the period/year before taxes	**2,663**	**14,609**	**55,254**	**39,762**	**52,478**
Current tax	60	(544)	(2,954)	(1,837)	(7,918)
Deferred tax	2,691	(3,358)	1,637	6,540	4,104
Net profit for the period/year from continuing operations	**5,414**	**10,708**	**53,938**	**44,465**	**48,664**
Discontinued operations	**712,469**	**28,840**	**6,401**	**5,800**	**701**
Total profit for the period/year	**717,883**	**39,548**	**60,339**	**50,265**	**49,365**
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	152	369	(318)	(229)	76
Total comprehensive income attributable to owners of the parent	**718,035**	**39,917**	**60,021**	**50,036**	**49,441**

Consolidated Balance Sheets

	Year ended			9 months ended
	31 March 2016	31 March 2017	31 March 2018	31 December 2018
	(audited)			
		(£000s)		
ASSETS				
Current assets				
Cash	129,258	211,078	115,828	134,152
Trade and other receivables	11,390	128,356	142,804	89,488
Taxes receivable	5,470	2,887	2,154	4,398
Total current assets	**146,118**	**342,321**	**260,786**	**228,038**
Non-current assets				
Tangible assets	2,786	5,943	8,241	7,150
Intangible assets	6,715	7,326	8,307	8,612
Goodwill	7,527	7,655	7,655	7,655
Other long-term receivables	270,094	59,795	4,199	-
Deferred tax asset	5,564	-	-	1,412
Total non-current assets	**292,686**	**80,719**	**28,402**	**24,829**
Total assets	**438,804**	**423,040**	**289,188**	**252,867**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	51,293	44,351	51,227	55,468
Provision for taxes	889	904	2,323	9,488
Employee benefit liabilities	8,222	21,123	14,550	2,655
Provisions		-	690	690
Total current liabilities	**60,404**	**66,378**	**68,790**	**68,301**
Non-current liabilities				
Employee benefit liabilities	13,280	5,950	1,972	2,475
Deferred tax liability	-	2,108	2,692	-
Total non-current liabilities	**13,280**	**8,058**	**4,664**	**2,475**
Total liabilities	**73,684**	**74,436**	**73,454**	**70,776**
Equity				
Share capital	21	20	18	14
Merger reserve	5,348	5,348	5,348	5,348
Share-based payment reserve	222	222	222	222
Capital redemption reserve	3	4	6	10
Foreign exchange reserve	197	566	248	324
Retained earnings	**359,329**	**342,444**	**209,892**	**176,173**
Total equity	**365,120**	**348,604**	**215,734**	**182,091**
Total liabilities and equity	**438,804**	**423,040**	**289,188**	**252,867**

Consolidated Cash Flow Statements

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Cash flows from operating activities					
Profit for the year	717,883	39,548	60,339	50,265	49,365
Add (deduct) items not involving cash					
Amortisation and depreciation	7,527	6,730	7,485	5,539	6,286
Current tax	(60)	544	2,954	1,837	7,918
Deferred tax	(2,691)	7,673	583	(4,528)	(4,104)
Interest income	(691)	(688)	(454)	(346)	(427)
(Profit)/loss on sale of tangible assets	5	-	-	-	-
Movement on contingent consideration	(45,791)	(33,155)	(8,621)	(7,812)	(701)
Profit on disposal of business operation	(665,226)	-	-	-	-
Foreign exchange loss/(gain)	326	410	(188)	(62)	(114)
	11,282	**21,062**	**62,098**	**44,893**	**58,223**
Change in non-cash operating items					
Trade and other receivables	3,372	(3,196)	(4,772)	5,840	(1,404)
Accounts payable and accrued liabilities	6,559	12,724	(3,674)	(2,018)	(7,152)
Provisions	-	-	690	-	-
Cash provided by operating activities	**21,213**	**30,590**	**54,342**	**48,715**	**49,667**
Income taxes (paid)/received	(1,352)	2,053	(801)	1,223	(2,996)
Total cash provided by operating activities	**19,861**	**32,643**	**53,541**	**49,938**	**46,671**
Financing activities					
Issue of ordinary shares	7	-	-	-	-
Purchase of ordinary shares for cancellation	(321,940)	(45,874)	(161,234)	(161,234)	(56,728)
Deemed distribution	(19,850)	(24,655)	(31,658)	(36,244)	(26,356)
Dividend	(6,032)	-	-	-	-
Loan to shareholder	-	(20,000)	20,000	20,000	-
Restricted cash movements	(1,049)	(315)	(849)	(850)	(3,835)
Total cash used in financing activities	**(348,864)**	**(90,844)**	**(173,741)**	**(178,328)**	**(86,919)**
Investing activities					
Sale of business operations	370,453	150,000	94,218	94,218	63,455
Purchase of tangible assets	(1,603)	(5,170)	(4,809)	(5,574)	(1,179)
Purchase of intangible assets	(4,277)	(5,285)	(5,959)	(3,890)	(4,319)
Proceeds from sale of tangible assets	-	-	-	-	-
Interest received	691	688	454	346	427
Loans advanced/(repaid) by carved-out group	-	-	(58,827)	(58,827)	-
Total cash provided by/(used in) investing activities	**365,264**	**140,233**	**25,077**	**26,273**	**58,384**
Net increase (decrease) in cash during the period/year	**36,261**	**82,032**	**(95,123)**	**(102,117)**	**18,136**
Cash, beginning of period/year	93,196	129,258	211,078	211,078	115,828
Exchange (loss)/gain on cash and cash equivalents	(199)	(212)	(127)	4	188
Cash, end of period/year	**129,258**	**211,078**	**115,828**	**108,965**	**134,152**

The following significant changes to the financial condition and operating results of the Target Business occurred during these periods:

- In April 2015, the Gamesys Group disposed of the brands, player data and certain related intellectual property in the Jackpotjoy Business (together with

<table>
<tr><td></td><td></td><td>certain minor real money bingo-led sites which it operated on behalf of third-party brand-owning partners) to the JPJ Group.
• On 22 June 2017, the Gamesys Group received from the JPJ Group the final earn-out payment in respect of Jackpotjoy and Starspins and a portion of the earn-out for the Spanish brand, Botemania, for an aggregate amount of approximately £94.2 million (including approximately £30.3 million in respect of Botemania).
• On 18 June 2018, the Gamesys Group received from the JPJ Group the second and final earn-out payment in respect of the Spanish brand, Botemania, for an aggregate amount of approximately £63.5 million.
Save for the Acquisition, there has been no significant change in the financial condition or operating results of the Target Business since 31 December 2018, being the end of the last financial period for which the Target Business's financial information is available.</td></tr>
<tr><td>B.8</td><td>Pro forma financial information</td><td>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 the JPJ Group 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 the JPJ Group 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 is based on:
• the consolidated net assets of the JPJ Group as at 31 March 2019 and the Target Business as at 31 December 2018; and
• the consolidated income statements of the JPJ Group and the Target Business for the year ended 31 December 2018,
as set out in the audited consolidated financial statements of the JPJ Group for the year ended 31 December 2018, the unaudited consolidated financial statements of the JPJ Group for the three months ended 31 March 2019 and the historical financial information of the Target Business, and has been prepared in accordance with Annex II to the PD Regulation, 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.
Due to its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation. It does not represent the JPJ Group's actual results of operations or financial condition or what the Enlarged Group's actual results of operations or financial condition would have been if the Acquisition had been completed on the dates indicated.
On the basis set out above:
• the unaudited pro forma statement of net assets of the Enlarged Group as at 31 March 2019 is £303.4 million; and
• the unaudited pro forma profit before tax of the Enlarged Group for the year ended 31 December 2018 is £60.7 million.</td></tr>
<tr><td>B.9</td><td>Profit estimate</td><td>Not applicable. No profit forecast or estimate is included in this document.</td></tr>
</table>

B.10	**Audit report – qualifications**	Not applicable. There are no qualifications included in any audit report on the historical financial information included in this document.
B.11	**Working capital insufficiency**	Not applicable. The Company is of the opinion that the working capital available to the JPJ Group is sufficient for its present requirements, that is, for at least 12 months from the date of this document. The Company is of the opinion that the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least 12 months from the date of this document.
	Section C – Securities	
Element		
C.1	**Type and class of securities**	The Company will issue 33,653,846 New JPJ Shares (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion) as consideration pursuant to the terms of the Acquisition. The Existing JPJ Shares have, and the New JPJ Shares will upon Admission have, the ISIN number GB00BZ14BX56 and SEDOL number BZ14BX5 and will be traded on the London Stock Exchange under the ticker symbol "GYS".
C.2	**Currency of issue**	British pound sterling ("**GBP**" or "**£**").
C.3	**Issued share capital**	As at the Latest Practicable Date, the issued share capital of the Company was £7,447,367.80, comprising 74,473,678 JPJ Shares. Upon Admission, the issued share capital of the Company will be £10,812,752.40 comprising 108,127,524 JPJ Shares, assuming that 33,653,846 JPJ Shares are issued pursuant to the Acquisition and no other JPJ Shares are issued between the Latest Practicable Date and the date of Admission. All JPJ Shares in issue on Admission will be fully paid.
C.4	**Rights attaching to the Shares**	The rights attaching to the Existing JPJ Shares and the New JPJ Shares will be uniform in all respects and they will form a single class for all purposes, including: • the Existing JPJ Shares and the New JPJ Shares will rank equally for voting purposes. On a show of hands, each holder of a JPJ Share who is present in person shall have one vote, and on a poll every holder of a JPJ Share present in person or by proxy shall have one vote per JPJ Share; • each JPJ Share ranks equally for any dividend declared; • each JPJ Share ranks equally for any distributions made on a winding-up or other return of capital; and • each JPJ Share ranks equally in the right to receive a relative proportion of shares in case of a capitalisation of reserves.
C.5	**Restrictions on transfer**	Subject to the articles of association of the Company (the "**Articles**") and selling restrictions dictated by applicable laws, the New JPJ Shares will be issued fully paid and free from all liens and from any restrictions on transfer (except as may result from failure to comply with a notice from the Company requiring information about interests in JPJ Shares). Subject to the Articles, the Existing JPJ Shares are free from any restrictions on transfer (except as may result from failure to comply with a notice from the Company requiring information about interests in JPJ Shares).
C.6	**Admission to trading**	The Existing JPJ Shares are currently admitted to listing on the premium listing segment of the Official List maintained by the FCA and to trading on the Main Market. As the Acquisition is classified as a reverse takeover for the purpose of the Listing Rules, upon Completion, the listing of the Existing JPJ Shares on the premium listing segment of the Official List will be cancelled. Simultaneously, applications will be made for the re-admission of the Existing JPJ Shares and the admission of the New JPJ Shares to the premium listing segment of the Official List maintained by the FCA and to trading on the Main Market. It is expected that

		Admission will become effective, and that dealings in the New JPJ Shares will commence, at 8:00 a.m. on the business day following the date of Completion.
C.7	**Dividend policy**	The board of directors of JPJ (the "**JPJ Board**") remains committed to returning excess cash to shareholders, when it can do so on a progressive and sustainable basis. The JPJ Group's debt facility allows the JPJ Group 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 the JPJ Group's share price remain, in its view, materially undervalued and at a discount to the peer group.
Section D – Risks		
Element		
D.1	**Key information on the key risks specific to the Company or its industry**	• The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in a constantly evolving online gambling regulatory environment. The changing regulatory landscape within jurisdictions in which the JPJ Group and the Target Business operate or may seek to operate and, following Completion, the Enlarged Group will operate or seek to operate (or from where the JPJ Group or the Target Business derive, or may seek to derive revenue and, following Completion, the Enlarged Group will derive or may seek to derive revenue), as well as the differences in regulation from jurisdiction to jurisdiction, may lead to fines or other sanctions, result in significant uncertainty and increased competition, impact business in current markets and prospects in new markets and have a material adverse effect on the JPJ Group's, the Target Business's and, following completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. • The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to taxation regimes in various jurisdictions which could lead to uncertainty with regards to their tax liabilities. Adverse changes to the taxation of online gambling or the imposition of, or adverse changes to, statutory levies or other duties or charges could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects revenues, operating results and financial condition. • The JPJ Group and the Target Business face and, following Completion, the Enlarged Group will face the risk of revocation or non-renewal of their online gambling licences and approvals. Gambling licences held by the JPJ Group, the Target Business and, following Completion, the Enlarged Group, or licences held by the Gamesys Group on which the JPJ Group currently relies and will rely until Completion, may not be renewed or may be revoked or suspended for a variety of reasons. Such revocation, suspension or non-renewal may materially adversely affect the operations, financial performance and prospects of the JPJ Group, the Target Business and, following Completion, the Enlarged Group, may lead to adverse publicity and could adversely impact the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's ability to successfully maintain current licences, apply for future licences or renew licences in jurisdictions where they currently have a licence or jurisdictions in which they may seek licences in the future. In addition, gambling licences held by the JPJ Group, the Target Business or, following Completion, the Enlarged Group may be renewed on less favourable terms. The business and profitability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group, could be adversely affected by any failure to obtain a renewal of any of these licences or by their early termination or by their renewal on less favourable terms.

		• The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in a volatile online gambling market industry which is sensitive to economic conditions and consumer trends. When economic conditions are prosperous, gambling industry revenues tend to increase. Conversely, when economic conditions are unfavourable, gambling industry revenues tend to decline. The JPJ Group, the Target Business and, following Completion, the Enlarged Group may be affected by economic conditions and consumer trends in the UK in particular, given the large percentage of revenue derived from the UK. Historic and current performance of the JPJ Group and the Target Business may not be indicative of success in future periods. The operations and financial performance of the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be negatively affected by prevailing economic conditions which could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. • The United Kingdom's withdrawal from the EU and the wider political climate may have a negative effect on global economic conditions, financial markets and the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. The JPJ Group is a multinational group headquartered in London whose shares are listed on the London Stock Exchange with worldwide operations, including material revenues derived from the UK and Europe. If the UK and the EU are unable to negotiate acceptable withdrawal terms or if other EU member states pursue withdrawal, barrier-free access between the UK and other EU member states or among the European Economic Area overall could be diminished or eliminated, which could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. • The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, financial condition and results of operations are and will be reliant on effective marketing and on the maintenance of their brand awareness, including by third parties and their endorsement relationships. The JPJ Group and the Target Business rely and, following Completion, the Enlarged Group will rely on the know-how and resources of third-party service providers for their marketing activities and cannot assure that such marketing activities will be successful or cost-effective. To the extent that the JPJ Group and the Target Business are, and, following Completion, the Enlarged Group is, unable to successfully renew or negotiate agreements with marketing partners or affiliates, or develop their own successful marketing strategy, or offer products that encourage relationships with marketing partners or affiliate referrals, the JPJ Group, the Target Business and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition may be materially adversely affected. • The JPJ Group is and, until either Completion takes place or the JPJ Group internalises certain operating functions currently undertaken by the Gamesys Group ("**Internalisation**"), will remain dependent on the Gamesys Group. The Gamesys Group provides platform services and gaming content to Jackpotjoy Operations Ltd. ("**Jackpotjoy Operations**") with respect to the Jackpotjoy Business pursuant to a real money gaming operating agreement entered into by Fifty States (Gibraltar) Limited, a company duly organised and existing under the laws of Gibraltar ("**Fifty States Gibraltar**"), on 24 March 2015 with Gamesys Gibraltar (as novated by Fifty States Gibraltar to Jackpotjoy Operations on 17 April 2015 and as amended on 5 September 2016) under which Gamesys (Gibraltar) Limited ("**Gamesys Gibraltar**") provides to the JPJ Group certain operational, financial, marketing, player

		services and support services for the real money gambling activities carried out by Gamesys Gibraltar and certain of its subsidiaries by exploiting certain of the assets comprised within the Jackpotjoy Brands for up to 15 years (the "**Operating Agreement**"). Pursuant to the Operating Agreement, the JPJ Group is also dependent on the Gamesys Group for, amongst other operational aspects, licences held by the Gamesys Group for the operations of the Jackpotjoy Business, on financial information provided by Gamesys for the preparation of the JPJ Group's financial statements and on regulatory compliance by the Gamesys Group. In the absence of Completion, the JPJ Group may elect to assume more direct control over the Jackpotjoy Brands through internalising one or more operating functions currently undertaken by the Gamesys Group under the Operating Agreement, at which time there is no assurance that the JPJ Group will be able to effectively realise its value or manage its business as a result of any of, but not limited to, increased management responsibilities, increased costs of doing business, increased regulatory oversight, operating in additional jurisdictions and managing additional partner or supplier relationships and its ability to develop and enhance the value of the Jackpotjoy Brands. The Operating Agreement contemplates the provision of services by the Gamesys Group to the JPJ Group for a fixed duration although each of the parties to the Operating Agreement may terminate the Operating Agreement in certain circumstances. The JPJ Group may not be able to continue to operate the Jackpotjoy Business upon termination of the Operating Agreement or to maximise the value of the Jackpotjoy Brands. This could have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.
D.3	**Key information on the key risks relating to the JPJ Shares**	• The market price of the JPJ Shares may be subject to volatility. Broad market fluctuations, as well as economic conditions generally and in the gambling industry specifically, may adversely affect the market price of the JPJ Shares. • The JPJ Group's and, following Completion, the Enlarged Group's ability to pay dividends in the future is not guaranteed. Any future determination to pay dividends will be at the discretion of the JPJ Board and, following Completion, the board of directors of the Enlarged Group (the "**Enlarged Group Board**") and will depend upon many factors, including the Company's results of operations, financial position, capital requirements, distributable reserves, credit terms, general economic conditions and other factors as the JPJ Board and, following Completion, the Enlarged Group Board, may deem relevant from time to time. In particular, certain provisions of the Credit Facilities may restrict the JPJ Group's and, following Completion, the Enlarged Group's ability to pay dividends. Consequently, investors may not receive any return on investment unless they sell their JPJ Shares for a price greater than that which they paid for them. • The possibility of future sales by JPJ Shareholders could negatively impact the market price of the JPJ Shares. Each of Lee Fenton, Robeson Reeves, Noel Hayden, Andrew Dixon, Robin Tombs and Wendy Tombs 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 a lock-up period of: (i) 18 months following Completion in the case of Lee Fenton and Robeson Reeves; (ii) 180 days following Completion in the case of Noel Hayden; and (iii) 90 days following Completion in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. Each of Andrew Dixon, Robin Tombs, Wendy Tombs, Michael Mee, Noel Hayden and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion will be required to enter into orderly marketing agreements on Completion, pursuant to which they will agree that they will be subject to orderly marketing restrictions on their ability to dispose of New JPJ Shares for a period of: (i) 180 days following Completion in the case of Michael Mee and certain members of

		Gamesys' executive committee who will become senior employees of the JPJ Group from Completion; (ii) 180 days following the expiry of his lock-up period in the case of Noel Hayden; and (iii) 90 days following the expiry of their respective lock-up periods in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. If JPJ Shareholders sell a substantial number of JPJ Shares in the public market, the market price of the JPJ Shares could fall. The perception among investors that any particular JPJ Shareholder might sell substantial numbers of JPJ Shares could similarly depress the price of JPJ Shares for an unknown period of time. • Completion is subject to certain conditions which may not be satisfied or waived, including, amongst other things: completion of the Gamesys Group Reorganisation and the approval at the JPJ General Meeting of the JPJ Shareholder Resolutions by the requisite majorities of the JPJ Shareholders. If the conditions are not satisfied or, where applicable, not waived on or before 31 December 2019 (the "**Long Stop Date**"), neither the Acquisition nor Admission will proceed, the benefits expected to result from the Acquisition will not be achieved, none of the New JPJ Shares will be issued and the market price of the JPJ Shares may be adversely affected. • If there are significant, unforeseen difficulties integrating certain of the business operations of the JPJ Group and the Target Business, they could adversely affect the business of the Enlarged Group. The Company intends to integrate its own operations with those of the Target Business. To the extent that the Enlarged Group is unable to efficiently integrate the operations, realise cost reductions and avoid unforeseen costs or delays in the integration process, this may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.
	Section E – Offer	
Element		
E.1	**Net proceeds/ expenses**	No net proceeds will be receivable by the Company in connection with the Acquisition. The total costs and expenses payable by the Company relating to the issue of this document and to the negotiation, preparation and implementation of the Acquisition are estimated to be £14.0 million (including VAT, where relevant).
E.2a	**Reasons for the offer/use of proceeds**	The proposed issue of the New JPJ Shares by the Company to which this document relates is being made in connection with the proposed Acquisition.
E.3	**Terms and conditions of the offer**	This document and the Acquisition do not constitute an offer or invitation to any person to subscribe for or purchase any shares in the JPJ Group or the Target Group. The total consideration for the Acquisition comprises: (i) £240 million payable in cash on Completion; (ii) £10 million of the cash component of the consideration that shall be deferred such that it shall be payable 30 months after Completion; and (iii) the issue of 33,653,846 JPJ Shares (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion). In addition, the upfront cash component of 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 and the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items to which members of the Target Group are entitled or may become entitled following Completion.

		Assuming the issue of 33,653,846 JPJ Shares pursuant to the Acquisition, the Existing JPJ Shares will represent approximately 68.9 per cent. of the total issued shares in the Enlarged Group immediately following Admission (assuming that no other JPJ Shares are issued by the Company between the Latest Practicable Date and the date of Admission). On the basis of the closing price of 732 pence per JPJ Share on the Latest Practicable Date, the issue of 33,653,846 JPJ Shares to Gamesys Shareholders, together with the £250 million of Cash Consideration equates to approximately £496 million of total consideration for the Acquisition (and on the basis of the 30-day volume weighted average price of 713 pence per JPJ Share over the period to 12 June 2019, being the last trading day prior to announcement of the Acquisition, equates to approximately £490 million of total consideration for the Acquisition). Owing to its size, the Acquisition constitutes a "reverse takeover" for the purposes of the Listing Rules 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. Accordingly, the JPJ General Meeting is to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT. In addition, the Company will be required to de-list and reapply for the listing of the Existing JPJ Shares and apply for the listing of the New JPJ Shares and satisfy the relevant requirements for listing as if the Enlarged Group were a new applicant. It is therefore anticipated that, immediately prior to Admission, the FCA will cancel the listing of the Existing JPJ Shares. Applications will be made to the FCA and the London Stock Exchange for the Existing JPJ Shares to be readmitted and for the New JPJ Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market. Given the shareholder base of Gamesys (which will be the shareholder base of Target Group Holdco immediately prior to Completion), it is anticipated that following Completion there will be no "controlling shareholder(s)" in the Company as that term is defined in the Listing Rules. Subject to the satisfaction or, if capable of waiver, waiver of the Conditions prior to the Long Stop Date, it is expected that the Acquisition will become effective in the third quarter of 2019.
E.4	**Material interests**	Not applicable. There are no interests, known to the Company, material to the issue of the New JPJ Shares, including conflicting interests.
E.5	**Selling Shareholders and lock-up arrangements**	The New JPJ Shares will be newly issued in connection with the Acquisition; there will be no JPJ Shareholders selling JPJ Shares. Each of Lee Fenton, Robeson Reeves, Noel Hayden, Andrew Dixon, Robin Tombs and Wendy Tombs 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 a lock-up period of: (i) 18 months following Completion in the case of Lee Fenton and Robeson Reeves; (ii) 180 days following Completion in the case of Noel Hayden; and (iii) 90 days following Completion in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. Each of Andrew Dixon, Robin Tombs, Wendy Tombs, Michael Mee, Noel Hayden and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion will be required to enter into orderly marketing agreements on Completion, pursuant to which they will agree that they will be subject to orderly marketing restrictions on their ability to dispose of New JPJ Shares for a period of: (i) 180 days following Completion in the case of Michael Mee and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion; (ii) 180 days following the expiry of his lock-up period in the case of Noel Hayden; and (iii) 90 days following the expiry of their respective lock-up periods in the case of Andrew Dixon, Robin Tombs and Wendy Tombs.

E.6	**Dilution**	Assuming the issue of 33,653,846 New JPJ Shares (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion) pursuant to the Acquisition, the Existing JPJ Shares will represent approximately 68.9 per cent. of the total issued shares in the Enlarged Group immediately following Admission (assuming that no other JPJ Shares are issued by the Company between the Latest Practicable Date and the date of Admission).
E.7	**Estimated expenses charged to investors**	Not applicable. No expenses will be charged to investors by the Company.

RISK FACTORS

Holding the JPJ Shares involves a number of financial and other risks. JPJ Shareholders should consider carefully the factors and risks associated with holding the JPJ Shares, the JPJ Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below. This section describes risk factors considered by the Company to be material in relation to the JPJ Group and the Target Business as discrete groups. These risks will, following Completion, unless indicated otherwise, be equally relevant to the Enlarged Group.

JPJ Shareholders should note that the risks relating to the JPJ Group, the Target Business and, following Completion, the Enlarged Group, their industries, the JPJ Shares and the Acquisition summarised in the section of this document entitled "Summary Information" are the risks that the Company believes to be the most essential to an assessment by a JPJ Shareholder of whether to hold JPJ Shares. However, as the risks which the JPJ Group, the Target Business and, following Completion, the Enlarged Group face relate to events and depend on circumstances that may or may not occur in the future, JPJ Shareholders should consider not only the information on the key risks summarised in the section of this document entitled "Summary Information" but also, amongst other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which JPJ Shareholders may face and should be used as guidance only. Additional risks and uncertainties relating to the JPJ Shares, the JPJ Group, the Target Business, the Enlarged Group and/or the Acquisition that are not currently known to the JPJ Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the JPJ Group's, the Target Business and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition and, if any such risk should occur, the price of the JPJ Shares may decline and holders of the JPJ Shares could therefore lose all or part of their investment. JPJ Shareholders should consider carefully whether holding the JPJ Shares is suitable for them in light of the information in this document and their personal circumstances.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on the JPJ Group's, the Target Business's and/or, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition, or the market price of the JPJ Shares.

1. RISKS RELATING TO THE REGULATORY ENVIRONMENT IN WHICH THE JPJ GROUP AND THE TARGET BUSINESS OPERATE AND, FOLLOWING COMPLETION, THE ENLARGED GROUP WILL OPERATE

1.1 The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in a constantly evolving online gambling regulatory environment.

Online gambling is a highly regulated industry within the geographic markets in which the JPJ Group and the Target Business operate. The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to applicable laws in the jurisdictions in which certain of their assets, infrastructure and employees are located. Changes to the nature and scope of existing gambling regulations (and applicable laws and regulations more generally), or the introduction of new regulations, in the territories in which the JPJ Group or the Target Business operate or may operate and, following Completion, the Enlarged Group will operate or may operate or in jurisdictions where the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's customers are located could have a material adverse effect on the JPJ Group and the Target Business and their respective businesses and, following Completion, the Enlarged Group and its business. In particular, existing regulated jurisdictions may increase or augment their regulation in a disadvantageous way to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business and operations (see "*Risk Factors: The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in regulated jurisdictions, including the UK, in which existing gambling regulations may increase or become more onerous.*"), currently unregulated jurisdictions may introduce regulation in the next few years, such as recently happened in Sweden, which introduced a new regulatory regime for gambling with effect from January 2019, and regulated jurisdictions may adapt their scope of regulation in the future. The changing regulatory landscape within jurisdictions in which the JPJ Group and the Target Business operate or may seek to operate and, following Completion, the Enlarged Group will operate or seek to operate (or from where the JPJ Group or the Target Business derive, or may seek to derive, revenue and, following Completion, the Enlarged Group will derive or may seek to derive revenue), as well as the differences in regulation from jurisdiction to jurisdiction, may lead to fines or other sanctions, result in significant uncertainty and increased competition, impact business in current markets and prospects in new markets and have a material adverse effect on the JPJ Group's, the Target Business's and, following completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.2 **The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in regulated jurisdictions, including the UK, in which existing gambling regulations may increase or become more onerous.**

Some countries from which the online gambling industry has historically derived revenue have introduced regulations attempting to restrict or prohibit online gambling, while other jurisdictions have taken the position that online gambling should be regulated and have adopted, or are in the process of considering, legislation to enable that regulation.

There is a risk that existing gambling regulations in jurisdictions which currently permit regulated gambling could be amended or become more onerous. For example, in a speech at the Institute for Public Policy Research in London in February 2019, Tom Watson, deputy leader of the opposition in the UK and Shadow Secretary of State for Digital, Culture, Media and Sport, called for limits on spend, stake and speed of play in online gambling in order to safeguard customers, similar to those currently in place in respect of gambling machines in physical premises, following the Labour Party's year-long review of the UK's gambling regulations. Should the Labour Party be elected in a future election in the UK, it is Labour's policy to create a new category within the 2005 Gambling Act (the UK's current main gambling statute) placing specific restrictions on online gambling, including limits to spend, limits on speed of play and applying appropriate stake limits to different products.

The introduction of such gambling regulations or changes to the nature and scope of existing gambling regulations (and applicable laws and regulations more generally) in the territories in which the JPJ Group or the Target Business operate or may operate or from where the JPJ Group or the Target Business derive, or may derive, revenue and, following Completion, the Enlarged Group will derive, or may derive, revenue could have a material adverse effect on the JPJ Group's, the Target Business's and, following completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.3 **The JPJ Group and the Target Business supply and, following Completion, the Enlarged Group will supply online gambling services on a cross-border basis and may be subject to the differing gambling laws of multiple jurisdictions, which may change and become more onerous.**

The legislative approach taken towards gambling varies from jurisdiction to jurisdiction. Certain jurisdictions permit gambling on a regulated basis, subject to supervision by a domestic gambling regulator. Other jurisdictions may prohibit some or all forms of gambling. Some jurisdictions have legislation which expressly addresses the legality of online gambling, whereas other jurisdictions have in place historic gambling legislation which predates the advent of the internet. This inconsistency presents challenges for online gambling companies when determining into which territories they will make their online gambling services available.

The changing regulatory landscape within jurisdictions in which the JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate or may seek to operate (or from which they derive, or may seek to derive, revenue), as well as the differences in regulation from jurisdiction to jurisdiction, may result in significant uncertainty and increased competition, impact business in current markets and prospects in new markets and have a material adverse effect on the JPJ Group and the Target Business and, following Completion, the Enlarged Group and their respective operating results and financial condition by restricting their local marketing activities or requiring them to cease accepting customers from such jurisdictions entirely.

Operators within the online gambling industry, including the JPJ Group and the Target Business (albeit the Target Business supplies virtually all of its gambling services in the United Kingdom and New Jersey, USA on a business-to-customer ("**B2C**") basis and in the United Kingdom and Spain on a B2B basis as part of the services it provides to the JPJ Group in respect of the Jackpotjoy Business and in New Jersey, USA on a B2B basis in respect of the Tropicana Site), have commonly taken a risk-based approach when supplying their online gambling services into jurisdictions in which it is not possible to obtain a gambling licence. In these circumstances, online gambling operators may justify their remote supply of gambling services for a number of reasons, including a "country of origin" basis which asserts that it is lawful to supply online gambling services remotely from a jurisdiction in which a gambling licence is held into another jurisdiction, unless there is something within the laws of that second jurisdiction that explicitly outlaws such provision, and explicitly applies to such inward supply emanating from outside its borders.

Certain European jurisdictions such as Malta and Gibraltar have adopted "point of supply" gambling regimes which generally permit their licensees to accept wagers from any jurisdiction that does not expressly prohibit the supply of online gambling from outside such jurisdiction. The JPJ Group and the Target Business hold and, following Completion, the Enlarged Group will hold gambling licences in territories such as Malta and Gibraltar and rely upon those gambling licences in order to supply remote gambling services into other jurisdictions in which they do not hold gambling licences (see "*Risk Factors: The JPJ Group derives and, following Completion, the Enlarged Group will derive meaningful revenues from players located in jurisdictions in which the JPJ Group and, following Completion, the Enlarged Group, does not hold a licence.*"). However, there is a risk that domestic governmental authorities in the jurisdictions into which those gambling services are being remotely supplied could claim that the supply infringes their domestic laws and could take action to prevent such supplies being made. There is also a risk that those jurisdictions could seek to expand their existing legislation to explicitly prohibit such inward supply or that they could introduce a "point of consumption" gambling regulatory regime.

"Point of consumption" gambling regulatory regimes have been implemented by jurisdictions such as the UK, Spain, Denmark, Sweden and New Jersey, USA (and may in the future be implemented by other jurisdictions). These regimes only permit an operator to target the domestic market if the operator holds the appropriate domestic gambling licence and pays domestic taxes (regardless of where the operator's assets, infrastructure and employees may be located). It may be difficult or uneconomic for an operator to adjust its business operations to achieve compliance with the different "point of consumption" regulatory regimes that apply in different jurisdictions. In addition to featuring different compliance requirements, new "point of consumption" regulatory regimes may also introduce restrictions in relation to the products that may be offered, or in relation to marketing and other matters, and those restrictions could have an adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Certain European territories have implemented restrictive licensing regimes that protect domestic monopoly providers or favour domestic incumbents and, in certain jurisdictions, have combined this with an attempt to prohibit or otherwise restrict operators established and licensed in other countries from offering gambling products into the domestic jurisdiction entirely. However, free movement of services arguments arise in the European Union where EU member states remain subject to the Treaty on the Functioning of the European Union ("**TFEU**"). These arguments have been challenged by certain EU member states. For example, on 26 October 2017, a judgment of the Federal Administrative Court (*Bundesverwaltungsgericht*), the highest German administrative court, stated that the online casino prohibition in the German Interstate Treaty on Gambling 2012 was compliant with Germany's obligations under the TFEU. See paragraph 7 (*Regulation*) of "*Part 2: Information on the JPJ Group*" for further information on the regulatory approaches adopted by EU member states. In early December 2017, the European Commission withdrew various infringement proceedings against EU member states for allegedly presiding over legislation and/or regulations that do not comply with the relevant EU member states' TFEU obligations on the basis that complaints could be more efficiently handled by national courts. This may encourage certain EU member states (who no longer have infringement proceedings against their names) to try to enforce their national legislation. In September 2018 and January 2019, Dumarca received hearing letters from the gambling supervisory authorities of the German States of North Rhine-Westphalia and Rhineland-Palatinate respectively. Despite legal arguments to the contrary, North Rhine-Westphalia issued a prohibition order against Dumarca on 30 April 2019. In response, Dumarca submitted to North Rhine-Westphalia, within the applicable four-week period: (i) a substantive appeal against the prohibition order and (ii) an application for interim suspension of enforcement of the prohibition order pending the outcome of the substantive appeal. Dumarca provided certain information to Rhineland-Palatinate and, on 9 May 2019, received a second hearing letter. In response, Dumarca provided a statement to Rhineland-Palatinate in the prescribed period and requested access to Rhineland-Palatinate's files relating to Dumarca. Despite these actions, the JPJ Directors believe that the JPJ Group has strong legal arguments regarding the inapplicability of German legislation in Dumarca's circumstances given that all relevant activities are carried out exclusively from outside of Germany (i.e. in Malta) and the JPJ Group, therefore, continues to operate across the entire German market including in both Rhineland-Palatinate and North Rhine-Westphalia.

The European Court of Justice (the "**ECJ**") has applied EU freedom principles to the online gambling industry with a view to eroding nationalist protectionism where identified. For example, the ECJ ruled, in March 2018, that Hungary's gambling legislation is non-compliant with its TFEU obligations, indicating that the ECJ will continue to apply EU freedom principles in this field. However, there can be no assurance that the ECJ will continue to apply such EU freedom principles to the online gambling industry in the future. This may result in the JPJ Group, the Target Business and, following Completion, the Enlarged Group being fined and/or subject to payment blocking measures in territories or countries within the EU to the extent arguments in favour of free movement of services under the TFEU are not upheld. If this were to occur, or if there were any expansion to existing legislation preventing such inward remote supply, this could have an adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Future legislative initiatives and court decisions may have a material impact on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's operations and financial results. There is a risk that governmental authorities may view the JPJ Group, the Target Business and, following Completion, the Enlarged Group as having violated their domestic gaming regulations and laws if they fail to comply with domestic rules and requirements, including those relating to the licences they hold.

There is also a risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities, incumbent monopoly providers, or private individuals, could be initiated against the JPJ Group, the Target Business and, following Completion, the Enlarged Group and its internet service providers, credit card processors, advertisers and others involved in the online gambling industry. Such potential proceedings could assert that online gambling services have not been lawfully supplied into the domestic market, and could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed on the JPJ Group, the Target Business and, following Completion, the Enlarged Group or its business partners, and may divert the attention of key executives of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. Such proceedings could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition, as well as their reputation.

There can be no assurance that prohibitive legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business to regulate various aspects of the internet or the online gambling industry (or that existing laws in those jurisdictions will not be interpreted negatively). The online gambling industry remains vulnerable to the adverse cost and operational consequences of inconsistencies between various licensing authorities' legal and regulatory requirements that flow from different jurisdictions' general differences in determining how to manage risks deriving from matters such as money laundering, fraud, privacy and consumer rights. Compliance with any such legislation or change in legislation may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition, either as a result of determining that a jurisdiction should be blocked or because a local licence may be costly to obtain and/or such licences may contain other commercially undesirable conditions.

In addition, certain countries in which laws currently prohibit or restrict online gambling or the marketing of those services, or protect monopoly providers of gambling services, may implement changes to open their markets through the adoption of competitive licensing and regulatory frameworks. While these changes may provide growth opportunities for the JPJ Group, the Target Business and, following Completion, the Enlarged Group, a new licensing and regulatory regime adopted in any such country may not grant a licence to the JPJ Group, the Target Business and, following Completion, the Enlarged Group or may impose onerous conditions, such as a requirement to locate significant technical infrastructure within the relevant territory or establish and maintain real-time data interfaces with the regulator, together with enforcement sanctions for breach thereof, taxation liabilities that make the market unattractive to the JPJ Group, the Target Business and, following Completion, the Enlarged Group, or impose restrictions that limit their ability to offer certain of their key products or to market their products in the way they would wish to do so. Moreover, licensing regimes may require licensees to ring-fence player liquidity, as has happened in the development of the Italian and French licensing regimes, and limitations on player liquidity could have a detrimental effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's wider business, particularly in relation to liquidity-reliant product verticals, such as bingo. There is also an associated cost with creating specific bespoke, localised platforms.

If regulation is liberalised or clarified in some jurisdictions, then the JPJ Group, the Target Business and, following Completion, the Enlarged Group may face increased competition from other providers. The opening of new markets, and the clarification of restrictions surrounding online gambling in other markets where the legal position is currently unclear, may encourage new entrants to the online gambling sector or strengthen the position of competing operators. Liberalisation or clarification of regulation in some jurisdictions may therefore have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.4 **The JPJ Group derives and, following Completion, the Enlarged Group will derive meaningful revenues from players located in jurisdictions in which the JPJ Group and, following Completion, the Enlarged Group, does not hold a licence.**

In certain jurisdictions, online gambling is either not regulated at all, is subject to very limited regulation, or its legality is unclear. These jurisdictions are commonly referred to in the gaming industry as "unregulated jurisdictions". It is perhaps misleading to refer to the JPJ Group's and, following Completion, the Enlarged Group's derivation of revenues from such jurisdictions as being "unregulated". The relevant transactions and the associated player relationships that underpin them are, in fact, regulated in either Malta or Gibraltar, being the jurisdictions in which the JPJ Group holds and, following Completion, the Enlarged Group is expected to hold point-of-supply licences, or in which its commercial partners do. As such, such transactions are in fact heavily regulated but are not themselves regulated in the jurisdiction within which the player is ultimately located. Approximately 23 per cent. of the JPJ Group's B2C revenue was derived from unregulated markets in the year ended 31 December 2018. Certain of the JPJ Group's products are and, following Completion, the Enlarged Group's products will be made available to players in unregulated jurisdictions. There is a risk that such jurisdictions may enact regulations relating to online real money gaming and that the JPJ Group may be required to register its activities or obtain licences (or obtain further registrations or licences, as applicable), pay taxes, royalties or fees, or that the operation of online gambling businesses in such jurisdictions may be prohibited entirely. The implementation of additional licensing or regulatory requirements, prohibitions or payments in such jurisdictions may have an adverse effect on the viability of the JPJ Group's and, following Completion, the Enlarged Group's revenue, operations, business or financial performance. Where the JPJ Group or, following Completion, the Enlarged Group or its partners fail to obtain the necessary registrations or licences, make the necessary payments, or operate in a jurisdiction where online gambling is deemed to be or becomes prohibited, the JPJ Group and, following Completion, the Enlarged Group or its partners may be subject to investigation, penalties or sanctions, or be forced to discontinue operations entirely, which may negatively impact the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Certain of the JPJ Group's and, following Completion, the Enlarged Group's technology providers, payment processing partners or other suppliers of content or services (collectively, "**Infrastructure Services**") may cease to provide, or limit the availability of, such Infrastructure Services to the extent the JPJ Group and, following Completion, the Enlarged Group derives revenue from, or makes such Infrastructure Services available to customers in, unregulated jurisdictions. Were the JPJ Group's and, following Completion, the Enlarged Group's access to such Infrastructure Services to become unavailable or limited as a result of operations servicing customers located in unregulated jurisdictions, the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition may be adversely affected. There is also a risk that they may not be able to source suitable or economical replacements if such Infrastructure Services become unavailable.

Unregulated jurisdictions may lack or have diminished regulations relating to, amongst other things, consumer protection, the prevention of money laundering, game fairness and technology or data security which may be detrimental to customers. There is a risk that unscrupulous online gambling operators that actually operate from within unregulated jurisdictions may fail to maintain effective policies, procedures and safeguards in the aforementioned areas and that the actions or omissions of such unscrupulous operators may damage the reputation of all online gambling businesses operating in unregulated jurisdictions or lead to the adoption of new regulations or punitive fees and/or sanctions. This may negatively impact the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. For further information on the JPJ Group's compliance with the various regulatory schemes affecting its business see paragraph 7 (*Regulation*) of "*Part 2: Information on the JPJ Group*".

1.5 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to taxation regimes in various jurisdictions which could lead to uncertainty with regards to their tax liabilities. The JPJ Group and the Target Business are also and, following Completion, the Enlarged Group will also be exposed to adverse changes to the taxation of their activities or the imposition of additional duties and charges.**

The JPJ Group is and, following Completion, the Enlarged Group will be subject to income and other taxes in a number of jurisdictions, including Canada, Malta, Sweden, Spain and the UK. The Target Business is subject to income and other taxes in a number of jurisdictions including Gibraltar, Malta, Estonia, USA (New Jersey) and the UK and, following Completion, the Enlarged Group will also be subject to income and other taxes in such jurisdictions. The income tax obligations of the JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be based in part on their corporate operating structure and intercompany arrangements, including the manner in which they develop, value and use their intellectual property and the valuations of their intercompany transactions, as well as their operations in online gambling. The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's tax calculations involve assessments in several areas including, but not limited to, transfer pricing. The tax laws applicable to the JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to interpretation, and some Organisation for Economic Co-operation and Development jurisdictions are aggressively introducing new laws or interpreting their laws in new ways in an effort to raise additional tax revenue from companies with international operations. The taxing authorities of the jurisdictions in which the JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate may challenge their estimates and methodologies for determining applicable gambling tax and duties and for valuing developed technology or intercompany arrangements, all of which could increase their worldwide effective tax rate and harm their financial position and results of operations. In addition, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's effective tax rate in the future could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in tax treaties, changes in the location of key management through departures or otherwise and changes in tax laws, as well as changes as a consequence of the Acquisition. The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to regular review and audit by domestic and foreign tax authorities. Tax authorities may disagree with certain positions the JPJ Group or the Target Business have taken and any adverse outcome of such a review or audit could have a negative effect on its financial position and results of operations. In addition, the determination of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's worldwide provision for income taxes and other tax liabilities requires significant judgment by management and there are many transactions where the ultimate tax determination is uncertain. The ultimate tax outcome may differ from the amounts recorded in the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's financial statements and may materially affect the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's financial results in the period or periods for which such determination is made. In addition, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's future income taxes could be adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles, or as a result of taxes in new jurisdictions where they do not currently operate but may in the future as a result of licences, regulatory approvals or otherwise. In particular, tax changes relating to "point of supply" and "point of consumption" regimes in online industries could adversely affect the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's future income tax rates.

The jurisdictions in which the JPJ Group and the Target Business hold licences or operate and, following Completion, the Enlarged Group will hold licences or operate also impose taxes and duties on licensed activities. Adverse changes to the taxation of online gambling or the imposition of, or adverse changes to, statutory levies or other duties or charges could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. For example, effective 1 April 2018, a new tax regime was introduced in Gibraltar which taxes gross gaming revenue of licensed operators at 0.15 per cent. In addition, effective 1 January 2019, new tax regimes were introduced in both Malta and Sweden, taxing gross gambling revenue derived from Maltese customers at a rate of 5 per cent. and gross gambling revenues derived from Swedish customers at 18 per cent.

Effective 1 December 2014, the tax regime in the UK was changed to tax betting and gaming revenues derived from UK customers. Under this regime, all gaming revenues derived from a person who usually lives in the UK are subject to a remote gaming duty tax ("**RGD**") payable by the licence holder on the "gaming provider's profits" (essentially stakes received for pooled prize and ordinary gaming, less winnings with other adjustments). Effective 1 August 2017, the UK further expanded the tax base for RGD to include the full value of any offers to gamble at a reduced or zero cost used by customers, including free games, introductory bonuses and matched deposits given to UK customers. Effective 1 April 2019, the rate of RGD increased from 15 per cent. to 21 per cent.

In addition to significant tax costs arising from the UK's tax regime, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may also face substantial dual or additional regulation, compliance and licensing costs. There is a risk that the introduction of similar taxation schemes in the future (or changes to existing taxation schemes), possibly with retroactive effect, may materially adversely impact the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's ability to market their offerings, profitability, financial condition and results of operations.

If jurisdictions where gambling winnings are currently not subject to tax, or are taxed at low rates, were to begin to impose gambling duties, or increase the applicable rates of gambling duty tax on winnings, or impose a tax withholding or reporting obligation on operators in respect of winnings paid out to customers in the relevant jurisdictions, online gambling might become less attractive for customers in those jurisdictions, which in turn might have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.6 **The JPJ Group and the Target Business face and, following Completion, the Enlarged Group will face the risk of revocation or non-renewal of their online gambling licences and approvals.**

Where jurisdictions regulate online gambling, the application process and ongoing compliance obligations require licensees to demonstrate the suitability, responsibility, character and financial stability of online gambling operators in addition to their officers, directors, major shareholders and other key personnel. Regulated jurisdictions can have different regulations and regulatory processes for online gambling. This finding of suitability process may be expensive and time-consuming. The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's delay or failure to obtain and retain these licences and approvals in any jurisdiction may prevent them from operating and generating revenues in those jurisdictions. A gambling regulatory body may refuse to issue or renew, or may suspend or revoke, a registration if, for example, the JPJ Group, the Target Business or, following Completion, the Enlarged Group, or one of their directors, officers, employees or associates: (i) is considered to be a detriment to the integrity or lawful conduct or management of gambling; (ii) no longer meets a registration requirement; (iii) has made a material misrepresentation, omission or misstatement in an application for registration or in reply to an enquiry by a person conducting an audit, investigation or inspection under the gaming control legislation; (iv) has been refused a similar registration in another jurisdiction; (v) has held a similar registration or licence in that jurisdiction or another jurisdiction which has been suspended or cancelled; (vi) is considered to be, or to have been, in breach of legal, licensing or other applicable requirements, including being considered to have, or to have had, inadequate procedures and policies in place to comply with such requirements; or (vii) has been convicted of an offence that calls into question the JPJ Group's, the Target Business's or, following Completion, the Enlarged Group's honesty or integrity or the honesty or integrity of one of their directors, officers, employees or associates.

In addition, gambling licences held by the JPJ Group, the Target Business and, following Completion, the Enlarged Group, or licences held by the Gamesys Group on which the JPJ Group currently relies and will rely on until Completion, may not be renewed or may be revoked or suspended for a variety of reasons, including the failure or perceived failure by the JPJ Group's, the Target Business's or following Completion, the Enlarged Group's subsidiaries directors, officers or senior management or significant shareholders or other investors to adequately comply with the suitability, information reporting or other requirements of licensing and regulatory authorities. Such revocation, suspension or non-renewal may materially adversely affect the operations, financial performance and prospects of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. In addition, the revocation or non-renewal of these gaming licences or any other licence which may become material to the JPJ Group, the Target Business and, following Completion, the Enlarged Group may lead to adverse publicity and could adversely impact the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's ability to successfully maintain current licences, apply for future licences or renew licences in jurisdictions where they currently have a licence or jurisdictions in which they may seek licences in the future.

If any licences or approvals were terminated or not renewed or any such renewals were on less favourable terms, the JPJ Group, the Target Business and, following Completion, the Enlarged Group would need to consider withdrawing from the relevant markets and pursuing alternative revenue streams by seeking licences from other jurisdictions. However, there can be no guarantee that the JPJ Group, the Target Business or, following Completion, the Enlarged Group would be able to obtain licences or approvals in other jurisdictions or that any such licences or approvals would allow the JPJ Group, the Target Business and, after Completion, the Enlarged Group to offer their services in the jurisdictions currently serviced or be on more favourable terms or that the regulation provided by any such licences or approvals would be as appealing to the JPJ Group's, the Target Business's or, following Completion, the Enlarged Group's, customers. There can also be no guarantee that any alternative revenue streams will be sufficient to replace lost revenue or will be obtained at all. The business and profitability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group, could be adversely affected by any failure to obtain a renewal of any of these licences or by their early termination or by their renewal on less favourable terms.

Additionally, in the event the Operating Agreement is terminated in circumstances where Completion never occurs and the JPJ Group internalises certain operating functions currently undertaken by the Gamesys Group ("**Internalisation**"), the JPJ Group may not be able to obtain its own licences or may need to go through a separate approval process in order to replace the licences it currently relies on pursuant to the provisions of the Operating Agreement which are held by the Gamesys Group. The occurrence of such an event could result in increased costs, reputational damage to the JPJ Group and may cause the JPJ Group's other licences to be subject to review or revocation and could materially adversely affect the JPJ Group's business, operations, financial performance and prospects. Moreover, the renewal or replacement of any licences in these circumstances may be on terms that are less favourable to the JPJ Group, which could have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

1.7 **The regulatory environment regarding the internet and electronic commerce is continually evolving and the application of existing laws can be uncertain.**

In addition to regulations pertaining specifically to online gambling, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may become subject to any number of laws and regulations that may be adopted with respect to the internet and electronic commerce generally. New laws and regulations that address issues such as consumer protection, data protection, direct marketing, pricing, online content regulation, taxation, advertising, intellectual property, information security and the characteristics and quality of online products and services may be enacted, leading to restrictions in this area or even total bans. Current laws, which predate or are incompatible with the internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the internet and electronic commerce is fluid and uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are actually applicable to the remote supply of online gambling content and products. The adoption of new laws or regulations relating to the internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the internet for gambling to the extent it would indirectly impact such activities, and result in a decrease in the demand for the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's products and services, increase their cost of doing business or could otherwise have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.8 **The JPJ Group's and the Target Business's activities are and, following Completion, the Enlarged Group's activities will be affected by the General Data Protection Regulation ("GDPR").**

The GDPR came into force in all EU member states on 25 May 2018. The JPJ Group, the Target Business are and, following Completion, the Enlarged Group will be, required to comply with the GDPR to the extent that they either: (a) have customers located in the EU, or (b) conduct the processing of personal data in the EU. The impact of the GDPR is of particular relevance to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's marketing activities and IT security systems and procedures (see "*Risk Factors: The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, financial condition and results of operations are and will be reliant on effective marketing and on the maintenance of their brand awareness, including by third parties and their endorsement relationships*." and "*Risk Factors: The operating platforms used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group are and will be reliant on technologies and network systems, which may be vulnerable to cyber-attacks that negatively affect the customer experience or which could result in breach of privacy laws and misuse of customer data that could lead to the JPJ Group, the Target Business and, following Completion, the Enlarged Group facing liability or losing customer goodwill*.").

The GDPR introduced new obligations for controllers of personal data and new rights for data subjects, including limits on the types and amounts of personal data which may be collected and processed. The GDPR and associated e-privacy laws also impose constraints on the ability of a data controller to profile and market to customers. Data subjects have the right to object to a controller processing their data in certain circumstances, including the right to object to their data being processed for the purposes of direct marketing. Controllers of personal data are obliged to be accountable and transparent in relation to their compliance with the GDPR; this means that they must maintain written records as to how they comply with the GDPR and provide more detailed information to data subjects in relation to how their data is being processed.

The GDPR also increased the level of fines which may be imposed for a breach of data protection laws, with the maximum fine (in the most serious cases of a breach of the GDPR) being the higher of €20 million or 4 per cent. of annual worldwide turnover. In certain instances, the JPJ Group, the Target Business and, following Completion, the Enlarged Group could be held jointly responsible for breaches committed by the third-party service providers which they use or by other third parties with whom they share personal data.

Many of the obligations imposed on controllers by the GDPR are expressed as high-level principles, such as the obligation to act fairly with respect to the processing of personal data. The manner in which the data regulators and courts will interpret and apply the GDPR is currently unclear in certain specific respects, and the generally accepted interpretation and application of the GDPR is likely to evolve over time. The JPJ Group has made substantial changes to its procedures and policies in order to comply with the GDPR and has appointed a data protection officer. In light of recent legislative changes, including the GDPR, the Target Business has rolled out ongoing training and a number of new or revised internal policies. The Target Business appointed a data protection officer in September 2017, ahead of the GDPR coming into force.

The implementation of these new and amended internal procedures and policies could adversely affect the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business by constraining their data processing activities, or by increasing their operational and compliance costs. There is therefore a risk that the new measures introduced by the JPJ Group, the Target Business and, following Completion, the Enlarged Group to comply with the GDPR will subsequently prove to be insufficient, or that these new measures are not implemented effectively across the JPJ Group, the Target Business and, following Completion, the Enlarged Group. If the data processing activities of the JPJ Group, the Target Business and, following Completion, the Enlarged Group or any third-party service providers breach the GDPR (or associated e-privacy laws), then the JPJ Group, the Target Business and, following Completion, the Enlarged Group could, whether as a result of a failure to implement adequate policies and procedures or otherwise, face significant fines and/or the revocation of existing licences and/ or the refusal of new applications for licences, as well as claims by customers and reputational damage. The resultant losses suffered could materially adversely affect the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. There can be no assurances that the JPJ Group, the Target Business and, following Completion, the Enlarged Group would be able to recoup such losses, whether in whole or in part, from their third-party service providers or insurers.

1.9 **Offshore gambling activities deriving revenue from the Swedish market are subject to the new Swedish regulatory regime.**

An amended Swedish Gambling Act came into force on 1 January 2019 (the "**Swedish Gambling Act**"), which introduced a licensing regime applicable to all gambling for money provided in Sweden (including in relation to offshore gambling services offered via the internet to Swedish consumers). Private commercial entities are able to obtain licences to provide online casinos, online betting, online poker, land-based sports betting and land-based horse-race betting. Compliance with the Swedish Gambling Act, which required the JPJ Group to obtain additional licences and registrations, and pay taxes, fees and royalties, may result in a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.10 **Non-compliance by the JPJ Group, the Target Business and, following Completion, the Enlarged Group with those restrictions arising in connection with restricted markets may result in investigation, fines, penalties or sanctions.**

In light of the applicable regulatory framework with respect to online gambling with which the JPJ Group and the Target Business are required and, following Completion, the Enlarged Group will be required to comply, the JPJ Group and the Target Business refrain and, following Completion, the Enlarged Group will refrain from deriving revenues from certain territories and will maintain procedures to ensure that registrations, deposits and gameplay emanating from certain jurisdictions are restricted. While the JPJ Group and the Target Business seek to ensure the effectiveness of such procedures, certain end users in restricted markets may seek to undermine the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's safeguards through the use of unauthorised applications, such as virtual private networks, Internet Protocol proxy servers and other technology and software. Similarly, various "Know Your Customer" due diligence procedures are followed for all new accounts to ensure that only players from authorised locations can access the web application, such as requiring copies of identification documents to verify the identity and address of an end user. There is a risk that end users in restricted markets may circumvent the safeguards and restrictive measures put in place by the JPJ Group, the Target Business and, following Completion, the Enlarged Group and gain access to their products. Should the policies, procedures and safeguards in respect of preventing access from restricted markets be found to be deficient by a government or regulatory authority, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be subject to investigation, fines, penalties or sanctions, which may have a negative effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's reputation, business, prospects, revenues, operating results and financial condition, or jeopardise their existing gaming licences.

In addition to the JPJ Group's B2C activities, Dumarca also provides B2B services in respect of the Vera&John Business. Such B2B customers operate under their own licences and primarily determine the markets they wish to accept business from. There is a risk that a regulatory body in a restricted jurisdiction in which a B2B customer operates may view the JPJ Group and Dumarca as having infringed the laws or regulations of that jurisdiction on the basis that they aided the B2B customer's infringement by providing products or services to that customer. In such a case, the JPJ Group and, following Completion, the Enlarged Group and Dumarca may face investigation, fines, penalties or sanctions, which may have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. There is a risk such regulatory action may jeopardise the JPJ Group's and, following Completion, the Enlarged Group's existing gambling licences by virtue of its association with, or provision of products or services to, such B2B customer.

In addition, the Jackpotjoy Business is reliant on third-party providers, including, until either Completion or Internalisation takes place, the Gamesys Group (see "*Risk Factors: The operations and financial performance of the Jackpotjoy Business are and, if Completion or Internalisation does not occur, will remain, dependent on the relationship with the Gamesys Group.*"), for monitoring and enforcement of the requirements of the regulatory framework in existence in the jurisdictions in which they offer their products.

The failure by Dumarca or any third-party providers to maintain effective safeguards to prevent access from restricted markets may have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's regulatory authorisations or licences, business, prospects, revenues, operating results and financial condition.

1.11 **The JPJ Group, the Target Business and, following Completion, the Enlarged Group, or certain third parties that they rely on, may fail to maintain effective and compliant anti-money laundering, responsible gambling, fraud detection, risk management and other regulatory policies and procedures.**

Online gambling operators licensed in the UK and other jurisdictions are obliged to implement effective and compliant anti-money laundering ("**AML**"), responsible gambling, fraud detection, risk management and other regulatory policies and procedures. In the event that they fail to do so, or such policies and procedures are not applied effectively, then they may be subject to enforcement action by gambling regulators or other governmental agencies or private action by affected third parties. In the event of a breach, a range of sanctions may be imposed, including financial penalties or regulatory settlements in lieu of a penalty, public warnings, the imposition of special operating conditions, and the suspension or revocation of gambling licences.

In recent years the British gambling regulator, the Great Britain Gambling Commission (the "**GBGC**"), has repeatedly stated that the UK facing online gambling industry needed to take greater steps to implement effective AML and responsible gambling policies and procedures. By way of example, in January 2018 the GBGC issued a letter to operators in the UK's online casino sector indicating that the GBGC had identified significant concerns about the effectiveness of the online casino sector's management and mitigation of AML and responsible gambling risks. The GBGC indicated that it had already started investigations into 17 remote operators and was considering whether to undertake a licence review of five operators with a view to exercising the GBGC's regulatory powers. The GBGC has imposed financial penalties or regulatory settlements in lieu of a penalty on a number of different operators for failing to apply effective AML and/or responsible gambling policies and procedures.

For example, on 12 June 2019, the GBGC announced that it had undertaken an investigation focused on three customers of sites operated by Gamesys Gibraltar, 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 Money Laundering Regulations 2007. The GBGC investigation found, and Gamesys accepted, that there were historical weaknesses in AML controls between 2014 and 2016 relating to how Gamesys managed customers for anti-money laundering and social responsibility purposes. As a result of the investigation, Gamesys agreed a regulatory settlement package with the GBGC 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 GBGC 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 cooperative throughout and actively self-identified the issues in each of the three cases. By way of further example, in late October 2018, the GBGC wrote to Gamesys Gibraltar requesting details in connection with an individual who had been convicted of fraud and who previously opened accounts on sites operated by Gamesys Gibraltar. The individual deposited a total of £65,000 into two of the accounts. Gamesys Gibraltar has provided details to the GBGC and initiated talks regarding disgorgement of the full £65,000. The GBGC requested Gamesys Gibraltar's permission to share the details with the City of London police to facilitate the divestment. Gamesys Gibraltar has accepted that its historic policies and procedures required improvement in order to protect the business from the use of criminal proceeds. For more information on these examples, see paragraph 15.2 (*Litigation*) of "*Part 11: Additional Information*".

The JPJ Group, through its subsidiary Dumarca, is responsible for implementing effective regulatory processes with respect to the Vera&John Business and with respect to the JPJ Branded Sites in the Swedish market. The Target Group, through its subsidiary Gamesys Gibraltar, is responsible for implementing effective regulatory processes with respect to the JPJ Branded Sites (save in respect of the Swedish market) and the Target Business Branded Sites (other than to the extent made available in New Jersey, USA, the regulatory processes in respect of which are managed by Gamesys US LLC). Their respective processes rely heavily on trained staff to monitor and investigate suspicious transactions, gaming activity or behaviour, and to conduct due diligence investigations. There is a risk that they may be unable to train or hire an adequate number of qualified staff to effectively administer their respective regulatory processes. There is also a risk that human error may cause such processes to be applied or supervised ineffectively.

The regulatory processes implemented by Dumarca, Gamesys Gibraltar and Gamesys US LLC, respectively, also rely heavily on know-your-customer services and tools provided by third parties. There is a risk that Dumarca, Gamesys Gibraltar and/or Gamesys US LLC may be unable to source further automated solutions in a timely or cost-effective manner, or that they may fail to effectively integrate such solutions into their existing regulatory processes. There is also a risk that existing and future automated solutions or algorithms used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group may not operate within the parameters for which they were designed, or in compliance with applicable laws and regulations, or may not perform in the manner, or produce the results, expected of them.

In the event that Dumarca, Gamesys Gibraltar or Gamesys US LLC or, following Completion, any relevant entity that may undertake similar activities for the Enlarged Group fails to implement effective AML, data protection, responsible gambling policies and procedures, or, more generally, policies and procedures to comply with applicable legal and regulatory requirements, then the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be exposed to a range of regulatory sanctions. They may also be exposed to claims from customers and third parties with whom they do business.

The Target Business Branded Sites are marketed under well-known brands owned by third-party brand owners, and the Target Business is contractually obliged to operate the Target Business Branded Sites in compliance with applicable laws. A material failure to do so by the Target Business could expose it to claims for breach of contract from the third-party brand owners, and may lead to the brand owner failing to renew or terminating their contracts.

The AML, anti-bribery, fraud detection, regulatory compliance and risk management processes with respect to the Jackpotjoy Business are carried out, monitored and enforced by third-party providers, including, until either Completion or Internalisation takes place, the Gamesys Group (see "*Risk Factors: The operations and financial performance of the Jackpotjoy Business are and, if Completion or Internalisation does not occur, will remain dependent on the relationship with the Gamesys Group.*"), for monitoring and enforcement. Following Completion, the Enlarged Group is expected to carry out, monitor and enforce the AML, anti-bribery, fraud detection, regulatory compliance and risk management processes with respect to the Jackpotjoy Business and the Target Business in-house.

In addition, there is a risk that increased responsible gaming and AML regulatory measures in the UK will prove to be challenging to the JPJ Group, the Target Business and, following Completion, the Enlarged Group. For example, the JPJ Group's highest value customers may be unwilling to provide the additional detail required to ascertain their sources of wealth for customer acquisition and retention purposes. The failure by Dumarca, any third-party providers or, following Completion, any relevant entity within the Enlarged Group to maintain effective and compliant AML, anti-bribery, fraud detection, regulatory compliance and risk management processes may have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

1.12 **The gambling industry may become increasingly vulnerable to customer claims.**

As the gambling industry becomes subject to increasing levels of regulatory intervention and such regulatory intervention is broadly discussed in the media, there is an increasing risk that players may seek redress from the JPJ Group and the Target Business and, following Completion, the Enlarged Group in relation to their own interactions with the relevant licensed entity, particularly to the extent that entity has been publicly admonished by a regulator for compliance failings or national courts of a certain jurisdiction find the provision of facilities for online gaming and/or betting without a licence held in such jurisdiction to be illegal and, as a result of that, online gambling contracts are deemed either null and void or unenforceable.

Through various enforcement initiatives, gambling regulators have sought, and continue to seek, to ensure that the industry complies with its various regulatory requirements. In doing so, certain regulators, notably the GBGC, have sought to publicise the findings of regulatory investigations to assist the wider industry in learning from investigated operators' shortcomings to assist in the general improvement of the regulatory compliance of the industry as a whole.

To the extent the JPJ Group and the Target Business are and, following Completion, the Enlarged Group is subject to any such publicity following any regulatory enforcement or court rulings finding the provision of facilities for online gaming and/or betting without a local licence to be illegal, then they may become more vulnerable to customers seeking to bring legal actions for purported breaches of a duty of care or on the basis of contracts with customers being considered null and void or unenforceable that caused corresponding detriment to the affected player. The industry as a whole and, therefore, the JPJ Group and the Target Business and, following Completion, the Enlarged Group may be subject to claims as players and their legal advisers seek to make connections between compliance shortcomings or the findings of national courts with regard to the legality of making available facilities for online gaming and/or betting without a local licence and the impact on individual customers or groups of customers. Such claims, if brought against the JPJ Group and the Target Business and, following Completion, the Enlarged Group, could have a material adverse effect on the business, results of operations, financial condition and prospects of the JPJ Group and the Target Business and, following Completion, the Enlarged Group.

2. RISKS RELATING TO THE JPJ GROUP'S, THE TARGET BUSINESS'S AND, FOLLOWING COMPLETION, THE ENLARGED GROUP'S INDUSTRY AND BUSINESS

2.1 The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in a volatile online gambling market industry which is sensitive to economic conditions and consumer trends.

The online gambling market industry has been and continues to be a volatile industry, which is sensitive to economic conditions and consumer trends. When economic conditions are prosperous, gambling industry revenues tend to increase. Conversely, when economic conditions are unfavourable, gambling industry revenues tend to decline. The JPJ Group, the Target Business and, following Completion, the Enlarged Group may be affected by economic conditions and consumer trends in the UK in particular, given the large percentage of revenue derived from the UK. Historic and current performance of the JPJ Group and the Target Business may not be indicative of success in future periods. The future performance of the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be influenced by, amongst other factors, economic downturns, technological and regulatory changes and other factors beyond the control of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. The operations and financial performance of the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be negatively affected as a result of any one or more of these factors or as a result of a significant decline in general corporate conditions or the economy that affect consumer spending, which could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.2 The United Kingdom's withdrawal from the EU and the wider political climate may have a negative effect on global economic conditions, financial markets and the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

The JPJ Group is a multinational group headquartered in London whose shares are listed on the London Stock Exchange with worldwide operations, including material revenues derived from the UK and Europe.

In June 2016, a majority of voters in the UK voted for the UK to exit the EU ("**Brexit**"). Article 50 of the Treaty on the European Union was triggered on 29 March 2017, thereby initiating the formal process for the UK to leave the EU. The prospect of Brexit has resulted in significant economic, political and social instability, not only in the UK and Europe, but across the globe generally. In particular, this has led to a fall in the value of GBP, which may affect the profitability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group, for example, but without limitation, due to customers deciding to spend less money on the products and services offered by the JPJ Group, the Target Business and, following Completion, the Enlarged Group. These developments and the prevailing uncertainty relating to these developments, have had and may continue to have a material adverse effect on global economic conditions, and economic conditions in the UK in particular, and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. In particular, Brexit has adversely affected the global markets, including the Main Market, on which the Existing JPJ Shares are currently admitted to trading and, following Completion, on which the JPJ Shares (including the New JPJ Shares) will be admitted to trading. Brexit, and the final departure of the UK from the EU and/or the end of any transition or implementation period that may be agreed could further lead to volatility in the value of securities listed on the Main Market, including the JPJ Shares. Lack of clarity about future UK laws and regulations as the UK determines which EU laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws and employment laws, could decrease foreign direct investment in the UK, increase costs, depress economic activity and restrict the JPJ Group's and, following Completion, the Enlarged Group's access to capital and impact revenues. In particular, because a significant proportion of the regulatory regime applicable to companies whose securities are listed on the Main Market and forthcoming regulatory reform is derived from EU directives and regulations, the results of the referendum could lead to material changes to the regulatory regimes that would be applicable to the JPJ Group's and, following Completion, the Enlarged Group's operations in the UK in the future, in particular with respect to the Jackpotjoy Business. This could increase compliance and operating costs for the JPJ Group, the Target Business and, following Completion, the Enlarged Group and have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

The JPJ Group, the Target Business and, following Completion, the Enlarged Group might also be affected by Gibraltar's status as a British overseas territory of the UK following Brexit (and the fact that Gibraltar is bound by the result of the UK referendum to leave the EU and will therefore leave the EU at the same time as the UK and thus the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's ability to rely on the EU market freedoms will depend, amongst other things, in particular on the further application of the free movement of services pursuant to Article 56 TFEU to Gibraltar, or the failure thereof, following Brexit), and/or uncertainty arising from tensions between Spain and the UK in respect of Gibraltar, either or both of which may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

If the UK and the EU are unable to negotiate acceptable withdrawal terms or if other EU member states pursue withdrawal, barrier-free access between the UK and other EU member states or among the European Economic Area overall could be diminished or eliminated. Further economic, political and social instability may also result from the Scottish public voting for Scotland to leave the UK in any future referendum. In April 2019, Scotland's First Minister stated that if the UK leaves the EU a second independence referendum could be held during the lifetime of the current Scottish Parliament, which is due to last until 2021. Scotland's First Minister has tabled draft legislation to set the rules for a second independence referendum (though any such referendum would be subject to UK government approval). The implications of any vote in favour of independence are uncertain, but could still be wide-ranging (for instance, in affecting the value of GBP, global markets and the ongoing relationship between Scotland and the rest of the UK and, potentially, the introduction of a discrete gambling regulatory regime in Scotland). Any of these factors could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.3 **The JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate in a highly competitive environment.**

The online gambling industry is highly competitive, and the JPJ Group expects more competitors to enter the sector. With several thousand online gambling sites accessible to potential customers around the world with little product differentiation, there is arguably an excess of suppliers. Online and offline advertising is widespread, with operators competing for affiliates and customers who are attracted by sign-up bonuses and other incentives.

While the Jackpotjoy SPA and the Operating Agreement between Gamesys and the Company, as amended, impose restrictive covenants on the Gamesys Group which restrict its ability to compete with the Jackpotjoy, Starspins and Botemania brands, together with associated rights in or ownership of real money player data related to such brands, trademarks, domain names and certain other related intellectual property rights (the "**Jackpotjoy Brands**") until 21 August 2019, if Completion does not occur, the JPJ Group will continue to face the risk that the Gamesys Group may launch products or services that compete with the Jackpotjoy Brands. Such competition may have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.

Existing and new competitors may also increase marketing spending, including to unprofitable levels, in an attempt to distort the online gambling market to build market share quickly. Some of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's competitors have or will have significantly greater financial, technical, marketing and sales resources and may be able to respond more quickly to changes in customer needs. Additionally, these competitors may be able to devote a greater number of resources to the enhancement, promotion and sale of their games and gaming systems. The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's future success is dependent upon its ability to retain its current customers and to acquire new customers. Failure to do so could result in a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

The Virgin Games site which is operated by the Target Business may face competition from the Virgin Bet site, which will be operated by the Residual Sports Business (see "*Risk Factors: Following Completion, the Enlarged Group may face competition from the Virgin Bet site which will be operated by the Residual Sports Business*").

In addition to their known current competitors, traditional land-based casino operators and other entities, many of whom have significant financial resources, an entrenched position in markets and name-brand recognition, may enter the online gambling markets in the future and thereby become new competitors for the JPJ Group, the Target Business and, following Completion, the Enlarged Group.

Players also face a vast array of entertainment choices. Other forms of entertainment, such as offline, traditional online, personal computer and console games, television, movies, sports and the internet, are much larger and more well-established markets and may be perceived by the players of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's online games to offer greater variety, affordability, interactivity and enjoyment. These other forms of entertainment compete for the discretionary time and income of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's player base. If the JPJ Group and the Target Business are and, following Completion, the Enlarged Group is unable to sustain sufficient interest in their games in comparison with other forms of entertainment, their business model may no longer be viable.

2.4 **The JPJ Group's, the Target Business's and, after Completion, the Enlarged Group's substantial activities in foreign jurisdictions may be affected by factors outside of their control.**

A significant portion of the JPJ Group's and the Target Business's operations are and, following Completion, the Enlarged Group's operations will be conducted in foreign jurisdictions. As such, the operations of the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be adversely affected by changes in foreign government policies and legislation or social instability and other factors that are not within their control, including, but not limited to, renegotiation or nullification of existing contracts or licences, changes in gambling policies, regulatory requirements or the personnel administering them, currency fluctuations and devaluations, exchange controls, economic sanctions, tax increases, retroactive tax claims, changes in taxation policies, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets and fluctuations in foreign exchange rates, difficulties in the protection of intellectual property, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which operations are conducted. The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. Accordingly, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

In the event of a dispute arising in connection with operations in a foreign jurisdiction where the JPJ Group, the Target Business and, following Completion, the Enlarged Group conduct their business, they may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of the UK or enforcing UK judgments in such other jurisdictions. The JPJ Group, the Target Business and, following Completion, the Enlarged Group may also be hindered or prevented from enforcing their rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Doing business in the gaming industry often requires compliance with numerous and extensive procedures and formalities in the jurisdictions in which the JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate. For further information on these risks and their potential effect on the JPJ Group, the Target Business and, following Completion, the Enlarged Group, see "*Risk Factors: Risks relating to the regulatory environment in which the JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate*".

The JPJ Group, the Target Business and, following Completion, the Enlarged Group may also enter into agreements and conduct activities outside of the jurisdictions in which they currently carry on business, which expansion may present challenges and risks as a result of the factors described above that they have not faced in the past, any of which could have a material adverse effect on the JPJ Group, the Target Business and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.5 **The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, financial condition and results of operations are and will be reliant on effective marketing and on the maintenance of their brand awareness, including by third parties and their endorsement relationships.**

Customer acquisition and retention, and therefore the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition depend upon the effectiveness of marketing activities. The JPJ Group and the Target Business rely and, following Completion, the Enlarged Group will rely on the know-how and resources of third-party service providers (such as, until either Completion or Internalisation takes place, the Gamesys Group with respect to the Jackpotjoy Business) for their marketing activities and cannot assure that such marketing activities will be successful or cost-effective. To the extent that the JPJ Group and the Target Business are and, following Completion, the Enlarged Group is unable to successfully renew or negotiate agreements with marketing partners or affiliates, or develop their own successful marketing strategy, or offer products that encourage relationships with marketing partners or affiliate referrals, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition may be materially adversely affected. Ineffective and/or inefficient marketing activities undertaken by the JPJ Group, the Target Business and, following Completion, the Enlarged Group or by third parties, including, in particular, any wasted costs and/or missed opportunities associated therewith, may also have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. In addition, existing or future competitors may have access to greater resources to invest in their respective marketing campaigns and industry or market-wide trends towards higher marketing costs and expenditures may impact net income and profit margins.

The JPJ Group and the Target Business use and, following Completion, the Enlarged Group will use personal data relating to their customers for the purposes of marketing to those customers. The third-party service providers used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group may also process the personal data of players for marketing purposes. The GDPR came into force in all EU member states on 25 May 2018 (see "*Risk Factors: The JPJ Group's and the Target Business's activities are and, following Completion, the Enlarged Group's activities will be affected by the General Data Protection Regulation ("GDPR")*"). The GDPR introduced new obligations for controllers of personal data and new rights for data subjects, including limits on the types and amounts of personal data which may be collected and processed. The GDPR also imposed constraints on the ability of a data controller to profile customers. Data subjects have the right to object to a controller processing their data in certain circumstances, including the right to object to their data being processed for the purposes of direct marketing. The GDPR has changed the method by which the JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be able to obtain customer consent for the purposes of sending direct marketing messages to customers, which could lead to an increase in the number of customers who opt out of receiving marketing messages, and the GDPR may adversely affect the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's ability to send marketing messages to dormant players. Any such changes could adversely affect the direct marketing activities of the JPJ Group, the Target Business and, following Completion, the Enlarged Group and their third-party service providers. If the marketing activities of the JPJ Group, the Target Business and, following Completion, the Enlarged Group or their third-party service providers breach the GDPR (or associated e-privacy laws), then the JPJ Group, the Target Business and, following Completion, the Enlarged Group could face significant fines as well as claims by customers and reputational damage. The resultant losses suffered by the JPJ Group, the Target Business and, following Completion, the Enlarged Group could have a material adverse effect on the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. There can be no assurances that the JPJ Group, the Target Business or, following Completion, the Enlarged Group would be able to recoup such losses, whether in whole or in part, from their service providers or insurers.

UK marketing campaigns of the Jackpotjoy Business have made use of celebrity endorsements to raise brand awareness and attract players. Currently, Paddy McGuinness leads this marketing campaign in the UK. His contract commenced on 30 June 2017 and expires on 31 August 2019, with an option for the Company to extend for another year. If Mr. McGuinness' services were to become unavailable, or unavailable on substantially the same terms, the JPJ Group and, following Completion, the Enlarged Group may experience a disruption in the effectiveness of its brand awareness and marketing efforts for the Jackpotjoy Business. There is a further risk that any replacement spokesperson or substitute advertising campaign may result in ineffective or inefficient marketing activity, and associated wasted costs or missed opportunities.

In addition to Mr. McGuinness, the JPJ Group and, following Completion, the Enlarged Group may seek the services of other spokespersons for use in the JPJ Group's and, following Completion, the Enlarged Group's marketing, advertising or brand development efforts. Actions taken by spokespersons that harm their individual reputations may also harm the JPJ Group's and, following Completion, the Enlarged Group's brand image with customers and could, amongst other things, have an adverse effect on the JPJ Group's and, following Completion, on the Enlarged Group's reputation, business, prospects, revenues, operating results and financial condition.

2.6 **The business and profitability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group depend on their ability to maintain or expand their user base.**

The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's efforts to maintain and expand their user base may not be successful. The JPJ Group generally intends to expand its player base by, amongst other things, increasing the number of geographic markets into which it markets its products. The Target Business generally intends to expand its player base by, amongst other things, deploying its effective customer acquisition techniques in the markets in which it currently operates and seeking to maximise the loyalty of existing and new players to the Target Business's sites. However, the JPJ Group and the Target Business also continue to assess the scope and size of their respective product offerings with a view to maximising shareholder value, which may affect the geographical scope and breadth of their player base. The JPJ Group and, following Completion, the Enlarged Group will also seek alternative geographic markets in the event that the operating environment of an existing or intended geographic market becomes unattractive to the JPJ Group or, following Completion, the Enlarged Group, thereby changing the geographical scope and breadth of their markets and player base. A new or existing geographic market may be unattractive by reason of a number of factors including, but not limited to, regulatory restrictions and taxation, unavailability of payment methods, failure or restrictions on marketing and branding strategy, local competitors or slow attraction of players due to lack of cultural acceptance of gaming or limited internet access. The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's efforts to expand their user base, either in existing or new markets, may result in increased expenditure in the future. If the JPJ Group, the Target Business and, following Completion, the Enlarged Group fails to maintain or expand their player base, then this could have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

2.7 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant on third-party suppliers.**

The JPJ Group and the Target Business depend and, following Completion, the Enlarged Group will continue to depend on third-party suppliers such as payment processing, telecommunications, advertising, technology, banking and other service providers. The Jackpotjoy Business is also dependent, until either Completion or Internalisation takes place, on the provision of services by the Gamesys Group for its operations (see "*Risk Factors: The operations and financial performance of the Jackpotjoy Business are, and of Completion or Internalisation does not occur, will remain dependent on the relationship with the Gamesys Group.*"). The willingness of such providers to provide their services to the JPJ Group and, following Completion, the Enlarged Group may be affected by their own assessment of the legality of their provision of services to these companies, of their business or of the online gambling sector, competitive considerations or other regulatory or policy developments. Adverse changes in laws or regulations in any jurisdiction may make the provision of key services to the JPJ Group and, following Completion, the Enlarged Group unlawful in such jurisdictions. To the extent that third-party suppliers are unwilling or unable to provide services to the JPJ Group, the Target Business and, following Completion, the Enlarged Group, or if the contracts with such third parties are terminated and not renewed, or not renewed on favourable terms, or if such third parties do not provide the level of support (in terms of updates and technical assistance) required as they grow, this may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.8 **The JPJ Group and Target Business are and, following Completion, the Enlarged Group will be reliant on effective payment processing services from a limited number of providers in each of the markets in which they operate.**

The provision of convenient, trusted, fast and effective payment processing services to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's customers and potential customers is critical to their business. If there is any deterioration in the quality of the payment processing services provided to these customers or any interruption to those services (including with respect to system intrusions, unauthorised access or manipulation), or if such services are only available at an increased cost to the JPJ Group, the Target Business and, following Completion, the Enlarged Group or their customers or are terminated and no timely and comparable replacement services are found, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's customers and potential customers may be deterred from using the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's products. In addition, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's inability to secure payment processing services in markets into which the JPJ Group, the Target Business and, following Completion, the Enlarged Group intend to expand may seriously impair their growth opportunities and strategies. Any of these occurrences may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Furthermore, a limited number of banks and credit card companies process online gambling related payments as a matter of internal policy and any capacity to accept such payments may be limited by the regulatory regime of a given jurisdiction. The introduction of legislation or regulations restricting financial transactions with online gambling operators, other prohibitions or restrictions on the use of credit cards and other banking instruments for online gambling transactions may restrict the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's abilities to accept payment from their customers. These restrictions may be imposed as a result of concerns related to fraud, payment processing, AML or other issues related to the provision of online gambling services. A number of issuing banks or credit card companies may from time to time reject payments to the JPJ Group, the Target Business and, following Completion, the Enlarged Group that are attempted to be made by their customers. Should such restrictions and rejections become more prevalent, or any other restriction on payment processing be introduced, gambling activity by the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's customers could be adversely affected, which in turn could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.9 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be dependent on key management personnel and may face challenges in attracting and retaining individuals with specialised skills and experience.**

The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's success is largely dependent upon the performance of their key management, marketing and technology personnel. As competition for highly skilled management, marketing and technology personnel is intense, any inability to retain employees, including but not limited to: (i) in respect of the JPJ Group, the Executive Chairman, the CEO of Jackpotjoy Operations, the CFO, or other key members of executive management; (ii) in respect of the Target Business, the CEO and the COO or other key members of executive management; and (iii) in respect of the Enlarged Group, the Executive Chairman, the CEO, the CFO, the COO or other key members of executive management, and to attract and retain key employees, in particular those who have subject-matter expertise and institutional knowledge and the necessary skills critical to their operations and the implementation of their strategy, may have a material adverse effect upon the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.10 **The JPJ Group and the Target Group have and, following Completion, the Enlarged Group will have non-compete clauses in certain of their employment contracts which may not be enforceable.**

Non-compete clauses in employment agreements are difficult to enforce in many jurisdictions, especially with respect to management employees. The JPJ Group currently has and, prior to Completion, the Target Group will have, non-compete clauses in employment contracts with certain of their employees. The provisions of such clauses prohibit such employees, if they cease working for the JPJ Group or the Target Group, from directly competing with the JPJ Group or Target Group (as applicable) and, following Completion, the Enlarged Group or working for their competitors typically for a three to six-month period for senior employees. However, in the event that any such employees (especially with respect to management employees) choose to work for one of their competitors, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be unable to enforce non-compete clauses which are intended to prevent such employment.

2.11 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant on continued market growth.**

The online gambling market has experienced historical growth, however, there can be no assurance that the market for the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's gaming offerings will continue to grow, that customers will continue to use their gaming services and/or adopt their solutions, or that they will be successful in offering their products in new and existing markets. The Jackpotjoy Business is in particular reliant on the UK market as a source of revenue, with 57 per cent. of the JPJ Group's revenues being derived from the UK in 2018, and, if Completion occurs, such reliance will significantly increase, given the Target Business's significant presence in the UK market. If the markets in which the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's products compete, such as the UK, fail to grow or expand, or grow or expand more slowly than anticipated, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition may be materially adversely affected.

2.12 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant on the maintenance, development and enhancement of their brands.**

As the online gambling industry becomes increasingly competitive, the success of the JPJ Group, the Target Business and, following Completion, the Enlarged Group depends on the maintenance, development and enhancement of their brands and licensed brands, either by them directly or by third parties (including, until either Completion or Internalisation takes place, the Gamesys Group in respect of the Jackpotjoy Brands). If the JPJ Group, the Target Business and, following Completion, the Enlarged Group are unable to maintain, develop and enhance their brands and licensed brands, their ability to attract new customers or retain existing customers and to implement their strategic goals may be adversely affected. In addition, increased competition may require more management time and resource and greater levels of expenditure to maintain, develop and enhance the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's brands, which may have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

The Target Business depends and, following Completion, the Enlarged Group will depend on third parties in respect of its licensed brands: Virgin Games, Virgin Casino, Heart Bingo and Monopoly Casino, as set out in paragraph 5 (*Overview of the Target Business*) of "*Part 3: Information on the Target Business*". The Target Business's continued operation of the Tropicana Site and the Virgin Casino site is reliant upon the continuation of the permit issued to Tropicana by the New Jersey Division of Gaming Enforcement and the continuation of the Tropicana Licence Agreement. Furthermore, material contracts of the Enlarged Group may be terminable by the counterparty to such contract in certain circumstances. For example, the Amended and Restated Virgin TMLA can be terminated by the counterparty upon the change of control of Nozee in certain circumstances as set out in paragraph 16.7 (*Amended and Restated Virgin TMLAs*) of "*Part 11: Additional Information*". To the extent that contracts with such third parties are terminated and not renewed, or not renewed on favourable terms, this may have a material adverse effect on the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.13 **The JPJ Group, the Target Business and, following Completion, the Enlarged Group may face claims relating to product liability and website content.**

As distributors of internet-enabled content, the JPJ Group, the Target Business and, following Completion, the Enlarged Group face potential liability for negligence, copyright, patent and trademark infringement, defamation, disparagement and other such claims based on the nature and content of the materials that they transmit. Such claims have been brought and sometimes successfully pursued against internet content distributors. Additionally, the JPJ Group, the Target Business and, following Completion, the Enlarged Group face risk of exposure to product liability claims in the event that their products contain errors, "bugs" or other defects. Neither the JPJ Group nor the Target Business possess and, following Completion, the Enlarged Group is not expected to possess product liability insurance and there can be no assurance that such coverage will be available in the future on commercially reasonable terms, or at all. Any imposition of liability that is not covered by insurance, or is in excess of insurance coverage, if available, or not covered by an indemnification in favour of the JPJ Group, the Target Business and, following Completion, the Enlarged Group could have a material adverse effect on their business, revenues, results of operations and financial condition. Additionally, if Completion does not occur the JPJ Group will continue to face the risk that if a claim in the nature described above were successful against the Target Business, it could be unable to provide all or a portion of the content and services to be provided under the Operating Agreement which could have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.

2.14 **Declining popularity of games and changes in device preferences of players could have a negative effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business.**

Revenue from online games tends to decline over time after reaching a peak of popularity and player usage. The speed of this decline is referred to as the decay rate of a game. As a result of this natural decline in the life cycle of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's products, the JPJ Group's and the Target Business's business depend and, following Completion, the Enlarged Group's business will depend on their ability and the ability of their third-party partners to consistently and timely launch new games across multiple platforms and devices that achieve significant popularity. The ability of the JPJ Group, or if Completion does not occur, the Gamesys Group with respect to the Jackpotjoy Brands, and, following Completion, the Enlarged Group or third-party partners to successfully launch, sustain and expand games as applicable, largely will depend on their ability to, amongst other things: (i) anticipate and effectively respond to changing game player interests and preferences; (ii) anticipate or respond to changes in the competitive landscape; (iii) develop, sustain and expand games that are fun, interesting and compelling to play; (iv) minimise launch delays and cost overruns on new games; (v) minimise downtime and other technical difficulties; and (vi) acquire leading technology and high quality personnel. There is a risk that the JPJ Group, the Target Business and, following Completion, the Enlarged Group or their third-party partners may not launch any new games according to schedule, or that those games do not attract and retain a significant number of players, which could have a negative effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Furthermore, more individuals are using non-PC/laptop devices to access the internet and versions of the JPJ Group's and, following Completion, the Enlarged Group's technology developed for these devices may not be widely adopted by users of such devices. The number of people who access the internet through devices other than personal computers, including mobile telephones, tablets and television set-top devices, has increased over the past several years. If the JPJ Group and, following Completion, the Enlarged Group is unable to attract and retain a substantial number of alternative device users to their gambling services or if the JPJ Group and, following Completion, the Enlarged Group is slow to develop products and technologies that are more compatible with non-PC/laptop communications devices relative to their competitors, the JPJ Group and, following Completion, the Enlarged Group may fail to capture a significant share of an increasingly important portion of the market for online gambling services.

In addition to offering popular new games, the JPJ Group, the Target Business and, following Completion, the Enlarged Group must extend the life of the existing games which they make available to users, in particular the most successful games. While it is difficult to predict when revenues from any such existing games will begin to decline, for a game to remain popular, the JPJ Group, the Target Business and, following Completion, the Enlarged Group or their third-party partners must constantly enhance, expand or upgrade the relevant game with new features that players find attractive. There is a risk that they may not be successful in enhancing, expanding or upgrading their current games or any new games in the future. Additionally, if decay rates are higher than expected in a particular quarter and/or the JPJ Group, the Target Business and, following Completion, the Enlarged Group experience delays in the launch of new games that they expect to offset these declines, the JPJ Group and, following Completion, the Enlarged Group may not meet their expectations or the expectations of securities analysts or investors for a given quarter. Should the JPJ Group, the Target Business and, following Completion, the Enlarged Group not succeed in sufficiently offsetting the effects of declining popularity in the games they make available, this may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.15 **Underage and compulsive gambling could give rise to claims against the JPJ Group, the Target Business and, following Completion, the Enlarged Group and could adversely affect their brands.**

Underage gambling is an inherent risk associated with the online gambling industry and while the JPJ Group, the Target Business and, following Completion, the Enlarged Group and their third-party partners implement industry standard procedures to verify a player's age and identity, there is a concern that underage players could circumvent these measures and access the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's real money online gambling products. Publicity regarding such concerns could harm the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's brands. If the perception develops that the online gambling industry is failing to adequately protect vulnerable and underage players, the industry may face increased regulation, which could adversely impact the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. Publicity regarding problem gambling and other concerns with the gambling industry, even if not directly connected to the JPJ Group, the Target Business and, following Completion, the Enlarged Group could have a material adverse effect on their business, prospects, revenues, operating results and financial condition. If the perception develops that the gambling industry is failing to address such concerns adequately, the industry may be subject to increased regulation, imposition of compulsory levies to fund research into and assistance for compulsive gamblers and/or taxation.

There are examples of individuals bringing an action against a gaming company as a result of their becoming pathological gamblers. Although the JPJ Group, the Target Business and, following Completion, the Enlarged Group would resist any such claim against them, if any such claim were brought against the JPJ Group, the Target Business and, following Completion, the Enlarged Group or any of the Directors or Proposed Directors, whether successful or not, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may incur considerable legal and other costs, management's time and resources may be diverted, and the resulting dispute, or any other negative publicity for the JPJ Group, the Target Business and, following Completion, the Enlarged Group relating to pathological gambling, may damage the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's reputation and brand image and have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

2.16 **The JPJ Group and, following Completion, the Enlarged Group may be exposed to reputational damage, liability or other potential material adverse effects if allegations of misconduct were to arise in the future.**

On 17 December 2015, Intertain was targeted by a report published by a self-described short seller, Spruce Point Capital Management (the "**Report**"). The Report made various allegations regarding Intertain, including with respect to its prior acquisitions and the prospects of its acquired businesses, including, in particular, the Jackpotjoy Brands, accounting, financial presentation and financial disclosure concerns, Intertain's governance, various links between members of the board of directors of Intertain and senior management and related parties, and Intertain's then-current management incentive plan.

Following the publication of the Report, the board of directors of Intertain appointed an independent committee composed of then non-management directors David Danziger, Stan Dunford and Mark Redmond (the "**Independent Committee**"), to investigate the allegations made in the Report in conjunction with the Independent Committee's independent advisers.

These allegations were thoroughly reviewed by the Independent Committee and its independent advisers and Intertain announced the results of the Independent Committee's investigations and certain other matters in press releases dated 8 February 2016 and 22 February 2016. The Independent Committee concluded that the allegations and suggestions made in the Report in relation to the quality and financial performance of the underlying businesses of the JPJ Group were grossly erroneous and the Report's claims in respect of the quality and performance of the JPJ Group's underlying businesses were wrong in every material respect. In addition, following the Independent Committee's consideration of the principal accounting allegations raised in the Report, which included a review of those allegations with Intertain's independent auditor, BDO, the Independent Committee was satisfied that no changes to Intertain's previously disclosed financial statements were required in relation to these matters.

The Independent Committee and its advisors also considered the performance of Intertain's corporate processes, controls, oversight and financial and governance functions. The Independent Committee made recommendations for changes and improvements in these areas, including to improve board documentation, approvals and record keeping in respect of certain payments previously made by Intertain that were recorded and fully expensed by it as transaction expenses in connection with its prior acquisitions (including advisory and finder's fees paid to third parties). The Independent Committee identified three such payments, collectively aggregating approximately CAD 7.8 million, made to nominee corporations understood to be controlled by Darren Rennick, the current president of Jackpotjoy Operations, with such monies being held for the benefit of the third parties having provided such services. All parties to these arrangements advised that the monies were held exclusively for the benefit of such third parties.

Although the allegations made in the Report, which predate the JPJ Shares being admitted to the Standard Listing segment of the Official List of the FCA and to trading on the Main Market in January 2017 (the "**2017 Listing**"), were thoroughly investigated by the Independent Committee and the recommendations of the Independent Committee were implemented, along with a number of additional improvements to the JPJ Group's internal controls and processes, finance function and governance oversight as part of the 2017 Listing, any allegations of misconduct by directors, officers or employees of the JPJ Group and, following Completion, the Enlarged Group in respect of historic conduct, regardless of the veracity of such allegations, could have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's reputation, results of operations and financial position.

2.17 **There is a risk that the activity of certain marketing affiliates could damage the JPJ Group's and the Target Business's and, following Completion, the Enlarged Group's brands.**

In common with other operators within the online gambling industry, the JPJ Group and the Target Business seek to and, following Completion, the Enlarged Group will seek to benefit from the marketing capabilities of a large number of websites, webmasters, website owners and other persons by entering into arrangements for marketing services provided by a marketing affiliate with such persons. Approximately 8.4 per cent. of new players acquired in the year ended December 2018 on all of the Target Business Branded Sites which are made available in the UK were acquired by affiliates.

The terms and conditions of such arrangements restrict such marketing affiliates from marketing the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's products through any medium which is libellous, discriminatory, obscene, unlawful, sexually explicit, pornographic or violent and may be terminated by the JPJ Group, the Target Business's and, following Completion, the Enlarged Group, at its discretion. There can be no assurance that the activities of any such affiliates will not damage the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's brands due to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's association with them. In addition, affiliates and other third parties may take actions that could impair the value of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business and brands, for example, through the distribution of excessive, inappropriate or indiscriminate marketing material (or "**spamming**"), and the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's relationship with its affiliates may be adversely impacted by any such actions.

2.18 **There is a risk that, following the sale of JPJ's social gaming business to Bagelcode, the activities of Bagelcode could damage the JPJ Group's and, following Completion, the Enlarged Group's brands.**

On 3 September 2018, the Company completed the sale of the JPJ Group's social gaming assets, comprising Jackpotjoy Slots and Starspins Slots player data, to Bagelcode Co., Ltd ("**Bagelcode**"), a South Korean social casino operator, for total cash consideration of £18.0 million. On completion of the sale, the JPJ Group granted Bagelcode a no-fee, five-year exclusive brand licence (the "**Bagelcode Brand Licence**") to use the Jackpotjoy and Starspins trademarks (the "**Marks**") for social gaming purposes. The terms and conditions of the Bagelcode Brand Licence restrict Bagelcode from: (a) damaging the reputation or goodwill associated with the Marks; (b) invalidating or jeopardising the Marks; (c) adversely affecting the reputation of the social business or the JPJ Group's and, following Completion, the Enlarged Group's real money business with any gaming authority; and/or (d) adversely affecting any licences or approvals reasonably required for the JPJ Group's real money business. Bagelcode must also comply with a brand manual appended to the Bagelcode Brand Licence, which sets out restrictions to illustrate types of marketing that are and are not permissible. After adverts are created, Bagelcode must provide Jackpotjoy Operations with the template for the adverts (including details regarding the material marketing channels used).

As the JPJ Group and, following Completion, the Enlarged Group will continue to use the Marks in their real money business, any misuse of the Marks in Bagelcode's social business could cause adverse reputational issues for the JPJ Group and, following Completion, the Enlarged Group. The joint use of the Marks by both Bagelcode and the JPJ Group or, following Completion, the Enlarged Group may also cause consumers and/or gambling regulators to think that the social business is still being operated by the JPJ Group or, following Completion, the Enlarged Group. There can be no assurance that the activities of Bagelcode will not damage the JPJ Group's and, following Completion, the Enlarged Group's brands, due to its association with them, which could have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.19 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be subject to the risk of credit card chargebacks, which may result in possible penalties.**

The JPJ Group and the Target Business are subject and, following Completion, the Enlarged Group will be subject to the risk of credit card chargebacks, which may also result in possible penalties. A chargeback is a credit card originated deposit transaction to a player account with an operator that is later reversed or repudiated. The risk of such chargeback transactions is greater in respect of certain markets and certain payment methods. Revenue is recognised by the JPJ Group and the Target Business upon the first loss of the player on amounts tendered, and any credit card chargebacks are then deducted from their revenues. Even though security measures are in place, high rates of credit card chargebacks could result in credit card associations levying additional costs and fines or withdrawing their service and could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.20 **The JPJ Group and, following Completion, the Enlarged Group may fail to realise the anticipated benefits of future acquisitions or divestments.**

Although the JPJ Group does not have current plans beyond the Acquisition for pursuing an acquisition strategy in the future, should the JPJ Group eventually pursue such a strategy there can be no assurance that the JPJ Group and, following Completion, the Enlarged Group will be able to fully realise the expected benefits of any such future acquisitions. In addition, as part of any potential future strategies for expansion of its business, the JPJ Group and, following Completion, the Enlarged Group may not be able to identify and acquire suitable targets and, upon the acquisition of a suitable target, the JPJ Group and, following Completion, the Enlarged Group may not be able to assimilate the operations, personnel, technologies and products of the acquired target. The identification and acquisition of targets could also divert management attention from other business concerns. The integration of a newly acquired target could be difficult due to different business cultures. If the JPJ Group and, following Completion, the Enlarged Group cannot successfully identify, acquire, integrate and develop targets for expansion of its business, it could impact the JPJ Group's and, following Completion, the Enlarged Group's ability to establish itself in new markets and/or to expand its product offerings and could in turn have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, financial condition and results of operations.

Conversely, the JPJ Group and, following Completion, the Enlarged Group is expected to continue to assess its businesses with a view to maximising shareholder value, and may decide to divest of all or part of a business, including as a result of changes in regulation or tax law. If such divestments are made at a price which ultimately does not reflect the value of all or part of the business, it may have a material adverse effect on the JPJ Group's and, following Completion, the Enlarged Group's business, financial condition and results of operations. "*Risks relating to the Acquisition*" are set out in section 7 below.

2.21 **The operations of real money gaming platforms used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group may be affected by collusion and fraudulent programmes and activities.**

The JPJ Group is aware that certain customers seek to increase their gaming returns by collusion and fraud. Collusion between players and the use of sophisticated computer programs that play real-money games, including bingo, slots, casino games and poker, automatically ("**bots**") are known methods of online gambling fraud. The JPJ Group and the Target Business have detection and prevention controls in place to minimise the opportunities for fraudulent play but must continually monitor and develop their effectiveness to counter innovative techniques. If the JPJ Group, the Target Business and, following Completion, the Enlarged Group fail to detect collusion, bots and other fraud, including fraudulent use of third-party funds, the JPJ Group, the Target Business and, following Completion, the Enlarged Group could lose the confidence of their customers and/or face action from third parties affected by such fraudulent use of their funds, thereby causing their business to suffer. The JPJ Group and the Target Business continuously monitor collusion and bots, and actively close accounts and block access to offenders. If collusion, bots and other forms of fraud are not detected and stopped, the affected players may experience increased losses. This could lead to customers becoming dissatisfied with the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's sites, which could have a material adverse effect on its business, prospects, revenues, operating results and financial condition.

2.22 **The profitability of certain of the JPJ Group's subsidiaries, certain of the Target Business's subsidiaries and, following Completion, certain of the Enlarged Group's subsidiaries will be dependent on return to players.**

The revenue from certain of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's subsidiaries' gaming products depends on the outcome of random number generators built into the gaming software running the games made available to customers. Return to player is measured by dividing the amount of real money won by players on a particular game by the total real money wagers over a particular period on that game. An increasing return to player may negatively affect revenue as it represents a larger amount of money being won by players. Return to player is driven by the overall random number generator outcome, the mechanics of different games and jackpot winnings. Each game utilises a random number generating engine; however, generally the return to player fluctuates in the short-term based on large wins or jackpots, or a large share of wagers made for higher-payout games. To the extent the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's subsidiaries are unable to set, or fail to obtain, a favourable return to player in their (or a third party supplier's) gambling software which maximises revenue, it could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.23 **The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's subsidiaries may experience varied growth which will need to be carefully managed.**

The JPJ Group's and the Target Business's segments operate and, following Completion, the Enlarged Group's segments will operate in different jurisdictions with markets in varying stages of maturity and are at different stages of growth. As a result of these varied stages of maturity and growth, each of the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's operating segments may require a business strategy independent of the other and a failure to handle future growth successfully may prevent each such segment from executing its business strategy. A failure to manage these segments in an efficient manner could cause expenses to increase and revenues to decline or grow more slowly than expected, and could otherwise have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.24 **The JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's insurance coverage may not be adequate.**

While the JPJ Group maintains insurance at a level that the JPJ Group believes is appropriate and the Target Business maintains insurance at a level that the JPJ Group understands that the Target Business believes is appropriate, against risks commonly insured in the industry, the JPJ Group does not maintain cyber insurance or full coverage under its insurance policies to cover all losses or damages in respect of the JPJ Group's business, facilities, equipment or personnel. In addition, certain types of risks may be, or may become, either uninsurable or not economically insurable, or may not be currently or in the future covered by the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's insurance policies and there can be no guarantee that the JPJ Group, the Target Business and, following Completion, the Enlarged Group will be able to obtain the desired levels of insurance coverage on acceptable terms in the future. Any of the foregoing could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

2.25 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant on the reputation of their brands, and damage to those brands could cause harm to their business prospects.**

Trust and reputation are important factors for players when deciding which online gambling website to use. The JPJ Group and the Target Business and, following Completion, the Enlarged Group are reliant on the reputation of the branded websites they offer for the purposes of attracting and retaining customers. Such reputation is also essential for the purposes of securing advantageous contractual relationships with reputable suppliers and other counterparties. In the event that the reputation or integrity of any of those sites or brands is damaged, then that could harm the business prospects of the JPJ Group and the Target Business and, following Completion, the Enlarged Group.

The reputation of branded sites operated by the JPJ Group and the Target Business and, following Completion, the Enlarged Group could be damaged by a range of issues including breaches or alleged breaches of gambling regulatory requirements, data protection and consumer protection requirements, IT failings or IT security breaches, or substandard customer service, which could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, financial condition, results of operations and/or prospects.

2.26 **The Target Business Branded Sites are heavily reliant on well-known brands owned by third parties.**

The Target Business operates and, following Completion, the Enlarged Group will operate the Target Business Branded Sites, including sites branded as Virgin Games, Heart Bingo and Monopoly Casino. All of the Target Business Branded Sites are reliant on the use of highly trusted and recognisable brands which are owned by third parties (the "**Third Party Brands**"). The Target Business operates and, following Completion, the Enlarged Group will operate the Third Party Brands pursuant to brand licensing arrangements with the relevant third party brand owner (the "**Brand Owner**"). The Target Business is and, following Completion, the Enlarged Group will be contractually required to operate the Target Business Branded Sites in accordance with those brand licensing arrangements, and any material breach of those requirements may expose the Target Business and, following Completion, the Enlarged Group to claims for breach of contract, and/or may lead to the Brand Owner terminating or failing to renew the brand licensing arrangements. The Target Business owns and, following Completion, the Enlarged Group will own the player data in respect of the Target Business Branded Sites, and in the event that the brand licensing arrangements for any of the Target Business Branded Sites were to be terminated early or not renewed, then the Target Business, or, following Completion, the Enlarged Group would seek to migrate those players to a different gaming site operated by it; however, there is a risk that any replacement branded site offered by the Target Business or, following Completion, the Enlarged Group may not successfully retain the custom of those players, and in the event that the Target Business or, following Completion, the Enlarged Group loses the right to use any of the Third Party Brands its business, financial condition, results of operations and/or prospects may be materially adversely affected.

The Target Business is and, following Completion, the Enlarged Group will be exposed to the risk that the reputation of the Third Party Brands may be adversely affected by the activities of third parties over whom it has no control. For example, the Target Business operates and, following Completion, the Enlarged Group will operate the Virgin Games site. The Virgin brand is used by a wide range of businesses. In the event that the reputation of the Virgin brand was to be adversely affected due to the actions of third parties, that may affect the business prospects of the Target Business and, following Completion, the Enlarged Group.

The Residual Sports Business (which will be retained by the Gamesys Shareholders and not acquired by the JPJ Group pursuant to the Acquisition) has the right to operate the Virgin Bet site, which will offer online betting and, on an ancillary basis, online gaming. The Virgin Games site (which will be operated by the Enlarged Group after Completion) will also offer online gaming (excluding bingo). There is a risk that, although they will be operated by different entities, the Virgin Bet site and the Virgin Games site will be regarded as being associated with one another by consumers. There is therefore a risk that any circumstances which adversely affect the reputation of the Virgin Bet site may also adversely affect the reputation and business prospects of the Virgin Games site.

3. RISKS RELATING TO THE JACKPOTJOY BUSINESS

3.1 The operations and financial performance of the Jackpotjoy Business are and, if Completion or Internalisation does not occur, will remain dependent on the relationship with the Gamesys Group.

The JPJ Group is and, until either Completion or Internalisation takes place, will remain dependent on the Gamesys Group, which provides platform services and gaming content to Jackpotjoy Operations with respect to the Jackpotjoy Business pursuant to the Operating Agreement. Pursuant to the Operating Agreement, the JPJ Group is also dependent on the Gamesys Group for, amongst other operational aspects, licences held by the Gamesys Group for the operations of the Jackpotjoy Business, on financial information provided by Gamesys for the preparation of the JPJ Group's financial statements and on regulatory compliance by the Gamesys Group. The Gamesys Group had substantial control over the Jackpotjoy Business, such as control over its strategic plan and its budget, during the applicable Jackpotjoy Earn-Out Period (which ended in respect of all brands on 18 June 2018, with payment of the second and final earn-out payment for the Botemania brand). Following the conclusion of the second and final Jackpotjoy Earn-Out Period on 18 June 2018, the Gamesys Group's right under contract to exercise such control over any portion of the Jackpotjoy Business ended. The ongoing relationship with the Gamesys Group may present geographical or other barriers to expanding the JPJ Group's business, or limit growth in other ways.

In the absence of Completion, the JPJ Group may elect to assume more direct control over the Jackpotjoy Brands through internalising one or more operating functions currently undertaken by the Gamesys Group under the Operating Agreement, at which time there is no assurance that the JPJ Group will be able to effectively realise its value or manage its business as a result of any of, but not limited to, increased management responsibilities, increased costs of doing business, increased regulatory oversight, operating in additional jurisdictions and managing additional partner or supplier relationships and its ability to develop and enhance the value of the Jackpotjoy Brands. There is a risk that some or all of the expected benefits will fail to materialise or may not occur within the time periods anticipated by the JPJ Group. The realisation of such benefits may be affected by a number of factors, many of which are beyond the control of the JPJ Group.

In the absence of Completion, following the expiration on 21 August 2019 of certain restrictive covenants on the Gamesys Group's ability to compete with the Jackpotjoy Business, the JPJ Group could lose customers to the Residual Business. In the absence of Completion, the Gamesys Group may also decide to reduce its investment in the development of platform technology and new content for the Jackpotjoy Business, either as a result of focusing on other B2C customers or mobile content development to the detriment of the JPJ Group, or for lack of sufficient incentives after achieving its performance targets for the purposes of the majority of their earn-out payments, in which case the results of the Jackpotjoy Business may not meet the JPJ Group's expectations. Any such impact, amongst others, could have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.

The Operating Agreement contemplates the provision of services by the Gamesys Group to the JPJ Group for a fixed duration although each of the parties to the Operating Agreement may terminate the Operating Agreement in certain circumstances in accordance with its terms. The JPJ Group may not be able to continue to operate the Jackpotjoy Business upon termination of the Operating Agreement or to maximise the value of the Jackpotjoy Brands. If the JPJ Group decides, pursuant to termination of the Operating Agreement or failure by the Gamesys Group to meet its obligations under the Operating Agreement, to transfer the Jackpotjoy Brands to another platform, there is no assurance players would follow onto a new platform, or such migration may pose operational or logistical difficulties that make it impractical or unappealing for players to follow the business onto a new platform or may increase the JPJ Group's operating costs. Any such impact, amongst others, could have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.

The services pursuant to the Operating Agreement are to be provided "at cost" during the first five years of the Operating Agreement for the Jackpotjoy and Starspins brands and during the first three years of the

Operating Agreement for the Botemania brand, and at cost plus a 25 per cent. uplift on certain costs and fees thereafter. The determination by the Gamesys Group of cost allocation is made pursuant to a formula set out in the Operating Agreement, but may be disputed, which may lead to significant costs for auditing the costs of services and ensuring indirect costs are properly allocated as between the Jackpotjoy Business and the Gamesys Group. If Completion does not occur, the JPJ Group will continue to face the risk that disputes with respect to the fees payable pursuant to the Operating Agreement may have a negative effect on the JPJ Group's relationship with the Gamesys Group.

In addition, if Completion does not occur and, if, during the term of the Operating Agreement, the Gamesys Group fails to maintain an effective system of internal controls, the JPJ Group may not be able to accurately report its financial results or prevent fraud in relation to the Jackpotjoy Business. If the Gamesys Group cannot provide reliable financial reports or prevent fraud, the JPJ Group's brand, revenue and financial position could be harmed.

3.2 **If Completion does not occur, the JPJ Group will continue to be exposed to the risk that the Gamesys Group may fail to comply with certain software escrow obligations in the Operating Agreement, or such escrowed code may be corrupted, stolen or destroyed.**

Pursuant to the Operating Agreement, the JPJ Group is the beneficiary of a contractual clause providing that the Gamesys Group must, if: (i) its free cash balances fall below £20 million; and/or (ii) any auditor's report is issued (or will potentially be issued) subject to a qualification or with a statement on material uncertainty that may cast significant doubt as to Gamesys' ability to continue as a going concern, be required to deposit the source code and executable code of the software owned by the Gamesys Group necessary for the operation of the primary branded site for each of Jackpotjoy (UK), Starspins (UK) and Botemania (Spain), together with relevant associated installation and user documentation, with a neutral third-party in escrow to be released to the JPJ Group in the event that Gamesys is placed into liquidation or has an administrator appointed to it. The purpose of the escrow is to ensure the continuation of the Jackpotjoy Business in the event that Gamesys is placed into liquidation or has an administrator appointed to it. If Completion does not occur, the JPJ Group will continue to be exposed to the risk that the deposit of inaccurate or incomplete information into escrow by the Gamesys Group, or the corruption, theft or destruction of the escrowed code, may have a material adverse effect on the business, prospects, revenue, operations and financial performance of the JPJ Group and the future viability of the Jackpotjoy Business.

3.3 **If Completion does not occur, the JPJ Group will continue to face the risk that the Gamesys Group may not have sufficient assets to compensate the JPJ Group for contractual breaches committed by the Gamesys Group, in light of the fact that no portion of the consideration already paid for the Jackpotjoy Brands remains held back or otherwise segregated.**

No portion of the consideration already paid for the Jackpotjoy Brands remains held back, sequestered in a retention account, placed in escrow, or otherwise segregated as a reserve to satisfy potential warranty or other contractual claims made by the JPJ Group against the Gamesys Group to the extent relevant claim periods have not expired. If Completion does not occur, there is a risk that the Gamesys Group could dispose of all or substantially all of the initial consideration or its assets, or shield the initial consideration or its assets from efforts by the JPJ Group to recover against them for damages. There is no assurance that the Gamesys Group will have sufficient assets available in the future to compensate the JPJ Group for damages it may incur in connection with the Operating Agreement, or any other agreement entered into in connection with the acquisition of the entire issued share capital of Fifty States by Intertain on 8 April 2015 pursuant to which it acquired the Jackpotjoy Brands under the terms of the Jackpotjoy SPA (the "**Jackpotjoy Acquisition**"). While the JPJ Group has a limited right of set-off against the final instalment of Jackpotjoy Earn-Out Payments under the Jackpotjoy SPA, the maximum amount of which is £5 million (to the extent it becomes payable by reference to the financial performance of the Jackpotjoy Brands for the year ending 31 March 2020), there is no guarantee that, nor can the JPJ Group predict whether, the Gamesys Group will be in a position to timely disclose claims allowing for set-off before such final instalment is paid (to the extent it is determined to be payable, which is not determinable until after 31 March 2020). The final instalment of Jackpotjoy Earn-Out Payments under the Jackpotjoy SPA was revalued to £nil in JPJ's Annual Report and Accounts 2018, primarily reflecting the impact of increased gaming duty in the UK. If Completion does not occur, an inability of the Gamesys Group to compensate or indemnify the JPJ Group for damages it may incur in connection with a breach of contractual warranties or undertakings by the Gamesys Group in connection with the Jackpotjoy

Acquisition could have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition.

3.4 **If Completion does not occur, the JPJ Group will continue to face the risk that the Jackpotjoy Business may be adversely affected by a failure to effectively transition certain operating functions if the JPJ Group decides to assume them and the JPJ Group may be unable to develop or outsource a successful substitute operating platform in the future.**

The Gamesys Group is currently in possession or control of certain assets, relationships, content, technologies, business infrastructure and controls over financial reporting necessary for the successful and profitable operation of the Jackpotjoy Business, including player databases, partner contracts, and advertising assets and relationships (the "**Jackpotjoy Operating Functions**"). The Operating Agreement contemplates that a detailed exit plan would be developed by the parties to enable the Jackpotjoy Operating Functions to be transitioned to the JPJ Group in an orderly manner and such exit plan has now been materially developed by the JPJ Group (the "**Transition Plan**"). If Completion does not occur, there is a risk that the parties will fail to agree to a Transition Plan that is satisfactory to both parties, or that the Transition Plan agreed to will not transfer the Jackpotjoy Operating Functions to the JPJ Group in an effective manner. There is also a risk that the parties may fail to properly implement the Transition Plan, or that the Transition Plan may not be implemented in a timely or cost-effective manner. The risk of failing to negotiate or implement a Transition Plan will be increased where a material dispute arises between the Gamesys Group and the JPJ Group, or where the Gamesys Group becomes subject to bankruptcy or insolvency proceedings, or similar forms of creditor protection. The failure to effectively negotiate and implement a Transition Plan may have a material adverse effect on the business, prospects, revenues, operating results, financial condition and the future viability of the Jackpotjoy Business.

Furthermore, the Gamesys Group retains certain operating assets, such as marketing algorithms, game platforms and certain underlying technology infrastructure, in connection with the Jackpotjoy Brands (the "**Jackpotjoy Operating Platform**"). If Completion does not occur, the JPJ Group may decide in the future to develop and build its own operating platform or outsource an operating platform to replace the Jackpotjoy Operating Platform, all in accordance with the terms of the Operating Agreement. If Completion does not occur, and such were the case, there is a risk that the JPJ Group may be unsuccessful in developing or outsourcing an adequate replacement operating platform, may fail to develop or outsource a replacement operating platform in a timely and cost-effective manner, or that the replacement operating platform developed or outsourced by the JPJ Group may be inferior to the Jackpotjoy Operating Platform. In such a situation, failure by the JPJ Group to develop or outsource an effective substitute operating platform may have a material adverse effect on the JPJ Group's business, prospects, revenues, operating results and financial condition, and the future viability of the Jackpotjoy Business.

3.5 **If Completion does not occur, the JPJ Group will continue to face the risk that any disruption in the exercise of the Spanish Purchase Option could have a material adverse effect on the operations, business or financial performance of the JPJ Group.**

Pursuant to the Jackpotjoy Acquisition, the JPJ Group was granted an option by Gamesys Gibraltar to purchase the entire issued share capital of Gamesys Spain PLC ("**Gamesys Spain**"), which is a subsidiary of Gamesys Gibraltar, and would be responsible for operating the Spanish-facing Botemania brand (the "**Spanish Purchase Option**"). Both the JPJ Group and Gamesys Gibraltar would be required to negotiate in good faith the terms upon which the Spanish Purchase Option would be exercised and effected; however, there is a risk that the parties would be unable to successfully negotiate mutually agreeable terms or that the terms of exercise agreed upon may fail to reflect the original intentions of the parties. There exists a further risk that changes to Spanish laws, regulations, taxation policy or rules, or business or operating conditions, may frustrate the purpose or effect of the Spanish Purchase Option intended by the parties.

If Completion does not occur, the JPJ Group may choose to take over operations of the Botemania brand by exercising the Spanish Purchase Option, in which case the Gamesys Group would cease conducting the real money operations in respect of the Botemania brand. If there were to be any disruption in the process by which the Botemania player base would be transitioned from the operational control of the Gamesys Group to the operational control of the JPJ Group, then this may have a material adverse effect on the business, prospects, revenues, operating results and financial condition of the JPJ Group.

4. **FINANCIAL AND REPORTING RISKS**

4.1 **The loans under the Credit Facilities bear interest at floating rates that could rise significantly, increasing the JPJ Group's and, following Completion, the Enlarged Group's costs and reducing its cash flow.**

Pursuant to an English law governed senior facilities agreement between, among others, Macquarie Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC as mandated lead arrangers (the "**Mandated Lead Arrangers**"), Global Loans Agency Services Limited as agent and GLAS Trust Corporation Limited as security agent and the Company (as amended from time to time, the "**Senior Facilities Agreement**") debt financing was made available to the Company and certain of its subsidiaries in an aggregate GBP equivalent amount of £388,492,000, comprised of (i) a €140 million term loan (the "**Euro TLB Loan Facility**"), (ii) a £250 million term loan (the "**GBP TLB Loan Facility**" and, together with the Euro TLB Loan Facility, "**Facility B**") and (iii) the £13.5 million revolving credit facility (the "**Revolving Credit Facility**" and, together with Facility B, the "**Credit Facilities**") subject to the satisfaction of certain conditions.

On 13 June 2019, the Company entered into a commitment for an additional term loan facility commitment 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) (the "**Additional Debt Arrangers**") has severally and not jointly agreed to provide to Luxembourg Investment Company 192 S.à.r.l. (an indirect subsidiary of the Company) ("**Luxco**") aggregate additional commitments of the euro equivalent of £175 million under the EUR TLB Loan Facility (the "**Additional Facility**") in connection with the financing of the cash consideration payable to the Gamesys Shareholders pursuant to the Acquisition. The Additional Facility will have the same interest rate as the EUR TLB Loan Facility. The Euro TLB Loan Facility has an interest rate of the Euro Interbank Offered Rate ("**EURIBOR**") (with a 0 per cent. floor) plus an opening margin of 4.25 per cent. per annum, subject to a margin ratchet with step downs of 0.25 per cent. to 3.50 per cent. based on reductions in the senior secured net leverage ratio and/or meeting certain ratings requirements. The GBP TLB Loan Facility has an interest rate of the London Interbank Offered Rate ("**LIBOR**") (with a 0 per cent. floor) plus an opening margin of 5.25 per cent. per annum, subject to a margin ratchet with step downs of 0.25 per cent. to 4.50 per cent. based on reductions in the senior secured net leverage ratio and/or meeting certain ratings requirements. The Revolving Credit Facility has an interest rate of, in respect of utilisations in Euros, EURIBOR (subject to a 0 per cent. floor) or, in respect of utilisations in GBP or USD, LIBOR (subject to a 0 per cent. floor) plus, in each case, an opening margin of 4.25 per cent. per annum, subject to a margin ratchet with step downs of 0.50 per cent. to 3.25 per cent. based on reductions in the senior secured net leverage ratio. These interest rates could rise significantly in the future. In addition, the Additional Debt Arrangers will have the ability to, in certain circumstances and subject to satisfaction of customary conditions but without the Company's consent, increase the proposed interest rate margin and/or original issue discounts applicable to the Additional Facility. Although the JPJ Group is permitted to enter into interest rate and/or currency hedging arrangements in order to mitigate some of the risk associated with fluctuations in these rates, there can be no assurance that hedging will be available on commercially reasonable terms at the relevant time. Under these interest rate and/or currency agreements, the JPJ Group and, following Completion, the Enlarged Group will be exposed to credit risk in respect of its counterparties. If one or more of the JPJ Group's counterparties falls into bankruptcy, insolvency or liquidation, claims the JPJ Group has under the swap agreements may become worthless. In addition, in the event that the JPJ Group and, following Completion, the Enlarged Group refinances its debt or otherwise terminates hedging agreements, the JPJ Group and, following Completion, the Enlarged Group may be required to make termination payments, which would result in a loss. To the extent that interest rates were to increase significantly, the JPJ Group and, following Completion, the Enlarged Group's interest expense would correspondingly increase, reducing its cash flow.

4.2 **The JPJ Group and the Target Business are and, following completion, the Enlarged Group will be exposed to exchange rate risks.**

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The JPJ Group's policy is, where possible, to allow the JPJ Group's entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where the JPJ Group's entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the JPJ Group.

Apart from these particular cash flows, the JPJ Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred, as well as by matching the currency of its debt structure with the currency that cash is generated in. However, no assurance can be given that these policies will deliver all, or substantially all, of the expected benefits.

Whilst the vast majority of the revenues currently generated by the Target Business are from the UK market, it also generates revenues in New Jersey, USA. The Target Business's operations in the UK are conducted in GBP. The Target Business operations in New Jersey, USA are conducted in USD and are therefore susceptible to any movements in exchange rates between GBP and USD.

Any exchange rate risk may materially adversely affect the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

4.3 **The JPJ Group has, and following Completion, the Enlarged Group will have a number of operating and financial covenants in its financing documentation. Failure to comply with these operating and financial covenants over the longer term could entail a number of adverse scenarios, which would materially adversely affect the JPJ Group's and, following Completion, the Enlarged Group's operating results and financial condition.**

The Senior Facilities Agreement contains certain restrictions on, amongst other things, asset disposals, debt incurrence, loans and guarantees, joint ventures and acquisitions, subject in each case to various permissions. The Senior Facilities Agreement also contains a senior secured leverage ratio maintenance covenant and an interest cover maintenance covenant. If, over the longer term, the JPJ Group or, following Completion, the Enlarged Group fails to comply with the covenants contained in the Senior Facilities Agreement, this could result in an event of default which could materially and adversely affect the JPJ Group's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

5. RISKS RELATING TO THE JPJ GROUP'S, THE TARGET BUSINESS'S AND, FOLLOWING COMPLETION, THE ENLARGED GROUP'S INTELLECTUAL PROPERTY AND TECHNOLOGY

5.1 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant upon their intellectual property rights being adequately protected and may face claims alleging infringement of intellectual property rights held by others.**

The JPJ Group and the Target Business rely and, following Completion, the Enlarged Group will continue to rely on a combination of laws and contractual provisions to establish and protect their rights in their software, patents, trademarks, copyrights, trade secrets, proprietary technology and domain names. Their ability to protect their intellectual property is crucial to the success of their business. The JPJ Group and the Target Business currently possess a number of trademark applications and registrations and their strategy is to continue to selectively file intellectual property applications in Europe and other applicable jurisdictions. There can be no assurance that the steps taken to protect proprietary rights will be adequate to deter misappropriation of technology. Any such misappropriation or resulting litigation to enforce proprietary rights could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, revenues, results of operations and financial condition. Similarly, given the nature of the business environment in which the JPJ Group and the Target Business operate and, following Completion, the Enlarged Group will operate, other parties may threaten to issue legal proceedings against them based on alleged infringement of intellectual property rights. There can be no assurance that such threats would never materialise into actual litigation or that the JPJ Group, the Target Business and, following Completion, the Enlarged Group would prevail in such litigation. An adverse determination in legal proceedings, a costly litigation process or a costly settlement could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

5.2 **The JPJ Group and the Target Business are and, following Completion, the Enlarged Group will be reliant on the reliability and viability of the internet infrastructure, which is out of their control, and the proper functioning of their own network systems.**

The growth of internet usage has caused interruptions and delays in processing and transmitting data over the internet. There can be no assurance that the internet infrastructure or the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's own network systems will continue to be able to support the demands placed on them by the continued growth of the internet, the overall online gambling industry or that of their customers.

The internet's viability could be affected by delays in the development or adoption of new standards and protocols to handle increased levels of internet activity or by increased government regulation. The introduction of legislation or regulations requiring internet service providers in any jurisdiction to block access to the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's websites and products may restrict the ability of their customers to access products and services offered by them. Such restrictions, should they be imposed, could have a material adverse effect on the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group.

If critical issues concerning the commercial use of the internet are not favourably resolved (including security, reliability, cost, ease of use, accessibility and quality of service), if the necessary infrastructure is not sufficient, or if other technologies and technological devices eclipse the internet as a viable channel, this may negatively affect internet usage, and the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition will be materially adversely affected.

End users of the online gambling offerings depend on internet service providers and system infrastructure for access to the sites operated by the JPJ Group, the Target Business and, following Completion, the Enlarged Group. These services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures, instability and interruption, as well as scheduled or unscheduled system downtimes. The JPJ Group, the Target Business and, following Completion, the Enlarged Group may lose customers as a result of delays or interruptions in service, including delays or interruptions relating to high volumes of traffic or technological failures or disruptions. As a result, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may not be able to provide, effectively or at all, their products and services to their customers during substantial periods of time, which could have a material adverse effect on the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group.

Additionally, the increasing presence of viruses and cyber-attacks may affect the viability and infrastructure of the internet and/or the proper functioning of the JPJ Group's and the Target Business's and, following Completion, the Enlarged Group's own network systems and could materially adversely affect the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group.

5.3 **The operating platforms used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group are and will be reliant on technologies and network systems, which may be vulnerable to cyber-attacks that negatively affect the customer experience or which could result in breach of privacy laws and misuse of customer data that could lead to the JPJ Group, the Target Business and, following Completion, the Enlarged Group facing liability or losing customer goodwill.**

The operating platforms used by the JPJ Group, the Target Business and, following Completion, the Enlarged Group are and will be reliant on technologies and network systems to securely handle transactions and user information over the internet, which may be vulnerable to system intrusions, unauthorised access or manipulation. As malicious users become increasingly sophisticated and devise new ways to commit fraud, the security and network systems may be tested and subject to attack. Computer malware, viruses, hacking, phishing and similar attacks have become more prevalent in the industry. Two of the more common security issues affecting the online gambling industry are "denial of service" and "Trojan horse" attacks. While the JPJ Group and the Target Business employ and, following Completion, the Enlarged Group will employ intrusion detection and prevention measures, there is no assurance that such intrusions or attacks or other unauthorised access or manipulation of the software will or can be prevented in the future and any occurrences may cause a delay in or an interruption of operations of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. Intrusions and interference in technology services occur without warning, resulting in a negative experience that the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's customers may associate with them. If their efforts to combat these "denial of service" and "Trojan horse" attacks and other forms of cyber-crime are unsuccessful, the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's reputation may be harmed and their communications with certain customers could be impaired. This could result in a decline in user traffic and associated revenues, which would have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

Furthermore, the JPJ Group and the Target Business process and, following Completion, the Enlarged Group will continue to process customer data about users of the online games they make available, including personal information about such customers and the customers' game play history, which comprises information, the storage, use or disclosure of which is regulated by data protection and privacy laws in the jurisdictions in which they operate and/or where their customers are located. Such laws restrict the ability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group to collect and use personal information relating to players and potential players including the marketing use of that information. While the Gamesys Group (as the operator of the Jackpotjoy Brands, but excluding in the Swedish market) and Dumarca (in respect of the Jackpotjoy Brands in the Swedish market and as the operator of the Vera&John brands) have each developed their own systems and procedures that are designed to protect their respective data (including customer data) and to prevent data or information loss, fraud and other security breaches (including without limitation a disaster recovery strategy for back-office systems), the JPJ Group, the Target Business and, following Completion, the Enlarged Group cannot be certain that such measures will provide absolute security and the JPJ Group, the Target Business and, following Completion, the Enlarged Group are exposed to the risk that such customer data could be wrongfully appropriated, lost or misused in breach of applicable laws as a result of cyber-attacks and deficiencies in the security measures of the JPJ Group, the Target Business and, following Completion, the Enlarged Group and/or their service providers.

Furthermore, it is possible that laws in various jurisdictions may be introduced or interpreted in a manner which is inconsistent with the existing data processing practices of the JPJ Group, the Target Business and, following Completion, the Enlarged Group, and which could, therefore, have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

In addition, the JPJ Group, the Target Business and, following Completion, the Enlarged Group may from time to time provide limited information about their customers to certain third parties based on the scope of services to be provided and such third parties may fail to adopt or adhere to adequate data and information security practices or may suffer from a breach of their own networks. Any appropriation, loss or misuse of customer data or violation of applicable privacy laws could disrupt the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's operations and result in the JPJ Group, the Target Business and, following Completion, the Enlarged Group facing legal claims or legal proceedings, including regulatory investigations and actions, or facing liability for the failure to comply with privacy and information security laws, or result in the loss of goodwill with customers and deter new customers, or expose the JPJ Group, the Target Business and, following Completion, the Enlarged Group to claims from their customers, financial institutions, regulators, payment card associations, employees and other persons which could have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

The GDPR came into force in all EU member states on 25 May 2018 (see "*Risk Factors: The JPJ Group's and the Target Business's activities are and, following Completion, the Enlarged Group's activities will be affected by the General Data Protection Regulation ("GDPR")*"). The GDPR introduced new requirements in relation to data security breaches, including the requirement that certain breaches be reported to the relevant data regulator as soon as possible. The GDPR also increased the level of fines which may be imposed for a data security breach, with the maximum fine (in the most serious cases of a breach of the GDPR) being the higher of €20 million or 4 per cent. of annual worldwide turnover. The GDPR also provided individuals with the right to bring claims where their personal data is compromised. In certain instances, the JPJ Group, the Target Business and, following Completion, the Enlarged Group could be held jointly responsible for breaches committed by the service providers which they use. If the JPJ Group and the Target Business are and, following Completion, the Enlarged Group were to be held directly responsible for a data security breach, or were to be deemed to be jointly responsible for a data security breach by one of their service providers, then the resultant losses suffered by the JPJ Group, the Target Business and, following Completion, the Enlarged Group could materially adversely affect the business, prospects, revenues, operating results and financial condition of the JPJ Group, the Target Business and, following Completion, the Enlarged Group. There can be no assurances that the JPJ Group, the Target Business and, following Completion, the Enlarged Group would be able to recoup such losses, whether in whole or in part, from their service providers or insurers.

5.4 **The systems and controls of the JPJ Group, the Target Business and, following Completion, the Enlarged Group to restrict access to their products may not be adequate.**

The JPJ Group and the Target Business use and, following Completion, the Enlarged Group will continue to use multiple technological methods to block customers from certain jurisdictions. These systems and controls are intended to ensure that no bets are accepted from customers located in those jurisdictions where the JPJ Group, the Target Business and, following Completion, the Enlarged Group are prevented from or has made a decision not to offer all or certain of their products and services. These systems and controls could fail, be subject to manipulation, or otherwise be found to be inadequate, either currently or as a result of future technological developments. This may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, as well as implications on the ability of the JPJ Group, the Target Business and, following Completion, the Enlarged Group to retain, renew or expand their portfolio of licences in other jurisdictions, and so have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

6. RISKS RELATING TO THE JPJ SHARES

6.1 **The market price of the JPJ Shares may be subject to volatility.**

The market price of the JPJ Shares may be volatile. The value of an investment in the JPJ Shares may decrease or increase abruptly and such volatility may bear little or no relation to the JPJ Group's and, following Completion, the Enlarged Group's performance. The price of the JPJ Shares may fall in response to market appraisal of the JPJ Group's and, following Completion, the Enlarged Group's strategy or if the JPJ Group's and, following Completion, the Enlarged Group's results of operations and/or prospects are below the expectations of market analysts or shareholders. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities, and may, in the future, experience similar fluctuations which may be unrelated to the JPJ Group's and, following Completion, the Enlarged Group's operating performance and prospects but nevertheless affect the price of the JPJ Shares. This volatility may affect the ability of holders of JPJ Shares to sell these at an advantageous price. The JPJ Shares could be subject to fluctuations due to a number of factors, including, without limitation:

- actual or anticipated fluctuations in the JPJ Group's and, following Completion, the Enlarged Group's results of operations;
- changes in estimates of the JPJ Group's and, following Completion, the Enlarged Group's future results of operations by the JPJ Group and, following Completion, the Enlarged Group or securities analysts;
- speculation, whether or not well-founded, regarding the intentions of major JPJ Shareholders or significant sales of JPJ Shares by any such JPJ Shareholders or short selling of the JPJ Shares;
- speculation, whether or not well-founded, about significant issues of JPJ Shares by the Company;
- speculation, whether or not well-founded, regarding possible changes in the Company's management team;
- the publication of research reports by analysts;
- announcements of technological innovations or new solutions by the JPJ Group and, following Completion, the Enlarged Group or its competitors;

- strategic actions by the JPJ Group and, following Completion, the Enlarged Group or its competitors, such as mergers, acquisitions, divestitures, partnerships and restructurings;
- speculation, whether or not well-founded, about the JPJ Group's and, following Completion, the Enlarged Group's business, about mergers or acquisitions involving the JPJ Group and, following Completion, the Enlarged Group and/or major divestments by the JPJ Group and, following Completion, the Enlarged Group in the press, media or investment community;
- changes affecting the gambling industry, including changes to regulatory or tax regimes;
- changes in laws, rules and regulations applicable to the JPJ Group and, following Completion, the Enlarged Group, its operations and the operations in which the JPJ Group and, following Completion, the Enlarged Group has interests, and involvement in actual or threatened litigation;
- general economic and political conditions, including in the regions in which the JPJ Group operates and, following Completion, the Enlarged Group will operate;
- dilution caused by the exercise of any outstanding options; or
- other events or factors.

Broad market fluctuations, as well as economic conditions generally and in the gambling industry specifically, may adversely affect the market price of the JPJ Shares.

6.2 **The JPJ Group's and, following Completion, the Enlarged Group's ability to pay dividends in the future is not guaranteed.**

Any future determination to pay dividends will be at the discretion of the JPJ Board and, following Completion, the Enlarged Group Board and will depend upon many factors, including the Company's results of operations, financial position, capital requirements, distributable reserves, credit terms, general economic conditions and other factors as the JPJ Board and, following Completion, the Enlarged Group Board may deem relevant from time to time. In particular, certain provisions of the Credit Facilities may restrict the JPJ Group's and, following Completion, the Enlarged Group's ability to pay dividends. Consequently, investors may not receive any return on investment unless they sell their JPJ Shares for a price greater than that which they paid for them.

6.3 **The Company is a holding company with substantially all of its operations conducted through its subsidiaries. Its ability to pay dividends on the JPJ Shares depends on its ability to obtain cash dividends and other cash payments or obtain loans from the JPJ Group's and, following Completion, the Enlarged Group's subsidiaries.**

The Company is a holding company and, following Completion, will not conduct business of its own. Because the Company has no direct operations or significant assets other than the capital stock of its subsidiaries, it relies on those entities for cash dividends, investment income, financing proceeds and other cash flows to pay dividends, if any, on the JPJ Shares. As a matter of English law, the Company can pay dividends only to the extent that it has sufficient distributable reserves available for this purpose, which depends upon the Company receiving cash from its operating subsidiaries in a manner which creates sufficient distributable reserves. The ability of the Company's subsidiaries to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they will have no obligation to pay dividends or to lend or advance the Company funds. The Company cannot guarantee that its subsidiaries will generate sufficient profits and cash flows to pay dividends or lend or advance to the Company sufficient funds to enable it to pay dividends, if any, on the JPJ Shares. Consequently, holders of the JPJ Shares may not receive any return on their investment unless they sell their JPJ Shares for a price greater than that which they paid for them.

6.4 **The possibility of future sales by JPJ Shareholders could negatively impact the market price of the JPJ Shares.**

If the Company's, or following Completion, the Enlarged Group's shareholders sell a substantial number of JPJ Shares in the public market, the market price of the JPJ Shares could fall. The perception among investors that any such shareholder might sell substantial numbers of JPJ Shares could similarly depress the price of JPJ Shares for an unknown period of time.

Each of Lee Fenton, Robeson Reeves, Noel Hayden, Andrew Dixon, Robin Tombs and Wendy Tombs 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 a lock-up period of: (i) 18 months following Completion in the case of Lee Fenton and Robeson Reeves; (ii) 180 days following Completion in the case of Noel Hayden; and (iii) 90 days following Completion in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. Each of Andrew Dixon, Robin Tombs, Wendy Tombs, Michael Mee, Noel Hayden and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion will be required to enter into orderly marketing agreements on Completion, pursuant to which they will agree that they will be subject to orderly marketing restrictions on their ability to dispose of New JPJ Shares for a period of: (i) 180 days following Completion in the case of Michael Mee and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion; (ii) 180 days following the expiry of his lock-up period in the case of Noel Hayden; and (iii) 90 days following the expiry of their respective lock-up periods in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. If the JPJ Shareholders sell a substantial number of JPJ Shares in the public market, the market price of the JPJ Shares could fall. The perception among investors that any particular JPJ Shareholder might sell substantial numbers of JPJ Shares could similarly depress the price of JPJ Shares for an unknown period of time.

6.5 **Pre-emptive rights may be unavailable for US and other non-EU holders of JPJ Shares.**

In the case of certain increases in the Company's issued share capital, existing holders of JPJ Shares are generally entitled to pre-emption rights to subscribe for such JPJ Shares, unless shareholders waive such rights by a resolution at a shareholders' meeting, or in certain other circumstances as stated in the Articles. Shareholders of JPJ Shares in the US and other non-EU jurisdictions are customarily excluded from exercising any such pre-emption rights they may have, unless exemptions from any overseas securities law requirements are available. No such pre-emption rights will be available in connection with the issue of New JPJ Shares as part of the Acquisition. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other non-EU holders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

6.6 **An investment in JPJ Shares by an investor whose principal currency is not GBP exposes the investor to foreign currency exchange rate risk.**

The JPJ Shares are, and any dividends to be paid in respect of them will be, denominated in GBP. An investment in JPJ Shares by an investor whose principal currency is not GBP exposes the investor to foreign currency exchange rate risk. Any depreciation of GBP in relation to such foreign currency will reduce the value of the investment in the JPJ Shares or any dividends in foreign currency terms, and any appreciation of the GBP will increase the value in foreign currency terms.

6.7 **The issuance of additional JPJ Shares in the JPJ Group in connection with the Acquisition, future acquisitions or growth opportunities, any share incentive or share option plan or otherwise, may dilute all other shareholdings.**

The JPJ Group and, following Completion, the Enlarged Group may seek to raise financing to fund future growth opportunities. In certain circumstances, the Company may, for these and other purposes, including pursuant to any share incentive or share option plan, issue additional equity or convertible equity securities. As a result, existing holders of JPJ Shares may suffer dilution in their percentage ownership, as will be the case as a result of the issue of 33,653,846 JPJ Shares (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion) that will be issued to Gamesys Shareholders as part of the consideration for the Acquisition, representing approximately 31.1 per cent. of the Enlarged Group's issued share capital, or the market price of the JPJ Shares may be adversely affected.

6.8 **JPJ Shareholders may be subject to voting or distribution restrictions on, or be required to dispose of, their interests in JPJ Shares as a result of the regulatory requirements to which the Company is subject.**

The licensing or regulatory authorities in the principal jurisdictions in which the JPJ Group and, following Completion, the Enlarged Group holds gaming licences or in which the JPJ Group or, following Completion, the Enlarged Group may, in the future, seek a licence have broad powers to request or require reporting of various detailed information from and/or approve the qualification or suitability for licensing of, online betting and gaming operators, including their directors, management and the holders of interests in JPJ Shares. In some jurisdictions, such authorities may impose such information sharing and filing requirements on a continuous and ongoing basis, including in relation to the Company, the JPJ Directors and management team and the holders of interests in JPJ Shares. These powers may be exercised by regulators as against the holders, whether legal or beneficial, of interests in shares or other securities in online gaming companies, as well as against the companies themselves, their directors and management. In some circumstances, the purpose of the exercise of powers by licensing or regulatory authorities may be to identify shareholders and directors whose involvement with the licensed entity that the licensing or regulatory authority considers unacceptable because such persons are not suitable directors, managers or shareholders to have a direct or indirect financial interest in, or influence over, a betting and gaming operator in such jurisdiction.

To address the requirements described above, the Company has adopted certain provisions in its Articles permitting it to suspend, with immediate effect, some or all of the rights attaching to JPJ Shares or to compel the sale of JPJ Shares within 14 days (or any other period that the Company, in its absolute discretion, shall consider reasonable) of written notice by the Company, if the Company, in its absolute discretion, determines that a "Shareholder Regulatory Event" (as defined in the Articles) has occurred in relation to a holder of interests in JPJ Shares. In summary, a "Shareholder Regulatory Event" occurs in relation to a holder of interests in JPJ Shares if a regulator informs the Company that such holder of interests in JPJ Shares is unsuitable, not licensed or qualified to be, or disqualified as a holder of JPJ Shares, or a regulator has refused, opposed, revoked or imposed any condition which may have a material adverse impact on the operation of the business of any company in the JPJ Group or, following Completion, the Enlarged Group in relation to the grant, renewal or continuance of any licence or other approval that is required by such regulator and relates to the business of the relevant company. In determining whether a "Shareholder Regulatory Event" has occurred in relation to any holder of interests in JPJ Shares, the Company may have regard to comments made by representatives of the relevant regulator, whether or not these comments are reflected in any official determination, and notwithstanding any appeal in respect of a regulator's decision.

If a holder of interests in JPJ Shares fails to comply with a notice from the Company requiring them to dispose of their JPJ Shares, then the Company may, so far as it is able, dispose of such JPJ Shares itself, at the best price reasonably obtainable in all the circumstances. Neither the Company nor any officer, employee or agent of the Company shall be liable to any holder of interests in JPJ Shares for failing to obtain the best price reasonably available so long as the Company acts in good faith and in compliance with the Articles.

Accordingly, if a regulator takes action as described above, there can be no assurance that any given holder of an interest in JPJ Shares may not be compelled to sell its JPJ Shares (or have such JPJ Shares sold on its behalf). If a holder of an interest in JPJ Shares is required to sell its interests in JPJ Shares (or have such JPJ Shares sold on its behalf), subject to the Articles, any such sale may be required at a time, price or otherwise on terms not acceptable to such holder. See paragraph 4.1(d) (*Restrictions on Rights Attaching to Shares*) of "*Part 11: Additional Information*" for further details of the relevant provisions in the Articles.

7. RISKS RELATING TO THE ACQUISITION

7.1 Completion is subject to certain conditions which may not be satisfied or waived and to the delivery of certain Completion deliverables.

Completion is conditional upon the satisfaction or, where applicable, waiver of a number of conditions on or before the Long Stop Date including, amongst other things:

(a) completion of the Gamesys Group Reorganisation;

(b) the publication of this document and, if required, any supplementary prospectus;

(c) the approval at the JPJ General Meeting of the shareholder resolutions included in the notice of general meeting at the end of this document (the "**JPJ Shareholder Resolutions**");

(d) determinations having been made by the GBGC that all subsisting gambling operating licences issued by the GBGC to Gamesys Gibraltar and Gamesys Limited will continue to have effect following Completion;

(e) grant by the GBGC of:

(i) remote operating licences to each of Virgin Bet Limited, Rabbitfoot (Gibraltar) Limited, a member of the Residual Content Business ("**Rabbitfoot Gibraltar**") and Content Holdco, in each case authorising certain licensed activities; and

(ii) any personal management licences to all relevant directors, officers, contractors and employees of Virgin Bet Limited, Rabbitfoot Gibraltar and Rabbitfoot UK Limited required in connection with such remote operating licences;

(f) determinations having been made by the GBGC that the remote operating licences granted by the GBGC to each of Virgin Bet Limited, Rabbitfoot Gibraltar and Content Holdco will continue to have effect following the Gamesys Group Reorganisation;

(g) approved transactional waiver having been received by New Jersey casino licensee Tropicana, Gamesys Limited and Gamesys US LLC from the New Jersey Division of Gaming Enforcement ("**DGE**") authorising Tropicana to engage in internet gaming-related business transactions with Gamesys Limited and Gamesys US LLC;

(h) approved transactional waiver having been received by Tropicana and Content Holdco from the DGE, authorising Tropicana to engage in internet gaming-related business transactions with Content Holdco;

(i) approval from the Licensing Authority (Gambling Division) of HM Government of Gibraltar (the "**Gibraltar Regulator**") of the Acquisition and any matters relating to the control, management and operation of Gamesys Gibraltar;

(j) grant by the Gibraltar Regulator of:

(i) a remote bookmaker operating licence to Virgin Bet Limited and a remote gaming operator licence to Rabbitfoot Gibraltar; and

(ii) any personal management licences (or any equivalent licence, permission, consent, authorisation or waiver) to all relevant directors, officers, contractors and employees of Virgin Bet Limited and Rabbitfoot Gibraltar required in connection with the remote bookmaker operating licence granted by the Gibraltar Regulator to Virgin Bet Limited and the remote gaming operator licence granted by the Gibraltar Regulator to Rabbitfoot Gibraltar;

(k) approval by the Gibraltar Regulator of the Gamesys Group Reorganisation and any matters pursuant to the Gamesys Group Reorganisation which relate to the control, management and operation of the entities holding the remote bookmaker operating licence granted by the Gibraltar Regulator to Virgin Bet Limited and the remote gaming operator licence granted by the Gibraltar Regulator to Rabbitfoot Gibraltar;

(l) approval having been granted by the MGA in respect of a change in qualifying shareholding in Rabbitfoot Games Limited as a result of the Gamesys Group Reorganisation;

(m) the FCA having acknowledged that its requirements for listing have been complied with in respect of the Existing JPJ Shares and the New JPJ Shares, including that the application for Admission has been approved and will become effective, and the London Stock Exchange having acknowledged that its requirements in respect of the Existing JPJ Shares being readmitted and the New JPJ Shares being admitted for trading on the London Stock Exchange's main market for listed securities have been complied with, in each case, conditional upon Completion; and

(n) payment of all unpaid deferred consideration payable under the agreement dated 19 December 2017 between (i) Whois Privacy & Proxy Inc, VIQI Inc, Livescore Limited, Minelytix S.R.O. and Livescore S.R.O, (as sellers); (ii) LS Services Limited, S.R.O., Hanist Limited, Iawa Limited (as buyers); and (iii) Gamesys Limited (as guarantor), together with any amendment(s) or applicable agreements which may result in any payment from, or any liability to, any member of the Target Group at any time (the "**Livescore Acquisition Agreement**").

Although the JPJ Directors believe that the required clearances from the gaming authorities set out above should be forthcoming, it is possible that the JPJ or the Gamesys Majority Shareholders may not obtain these clearances, or that they may not be obtainable within a timescale acceptable to JPJ or the Gamesys Majority Shareholders, or that they may only be obtained subject to certain conditions or undertakings, which may not be acceptable to the JPJ Group or the Gamesys Shareholders. In the event that any required clearance is not obtained or if any other condition is not fulfilled or waived by the Long Stop Date, the Acquisition may not be completed.

In addition, in some jurisdictions, notifications of the change of control of the Target Business to gambling and/or antitrust authorities are voluntary, and the Company or the Gamesys Majority Shareholders may decide not to notify, bearing the risk that the authorities may later open an investigation on their own initiative. Authorities in such jurisdictions may request that a notification be filed and may require the Enlarged Group to give certain undertakings, such as disposing parts of its business, to satisfy regulatory or competition concerns. If this were to happen, it could have a material adverse effect on the Enlarged Group's business, prospects, revenues, operating results and financial condition.

In addition, at Completion, the Gamesys Majority Shareholders and the Company must deliver to each other executed versions of certain key transaction documents and other ancillary documents. Payment of the relevant consideration at Completion is subject to such deliverables having been provided by the relevant party in accordance with the terms of the Primary Sale Agreement. The Completion deliverables include the Transitional Services Agreement, the Games Licence Agreements, the lock-up agreements and orderly market agreements described in paragraph 16.9 (*Lock-Up and Orderly Marketing Agreements*) of "*Part 11: Additional Information*", the service agreements to be entered into by each of Lee Fenton and Robeson Reeves as described at paragraph 8.3 (*Proposed Directors*) of "*Part 11: Additional Information*" and the Secondary Sale Agreement from all of the Gamesys Minority Shareholders.

If the Conditions are not satisfied or, where applicable, not waived on or before the Long Stop Date, neither the Acquisition nor Admission will proceed, the benefits expected to result from the Acquisition will not be achieved, none of the New JPJ Shares will be issued and the market price of the JPJ Shares may be adversely affected.

7.2 **If there are significant, unforeseen difficulties integrating certain of the business operations of the JPJ Group and the Target Business, they could adversely affect the business of the Enlarged Group.**

The Company intends to integrate its own operations with those of the Target Business, as set out in paragraphs 3 (*Background to and the Company's Reasons for the Acquisition*) and *8 (Integration of the Enlarged Group)* of "*Part 1: Letter from the Chairman of JPJ*". The Company's goal in integrating these operations is to increase revenues and cash flows through increased operational efficiencies and enhanced growth opportunities. To the extent that the Enlarged Group is unable to efficiently integrate the operations, realise cost reductions and avoid unforeseen costs or delays in the integration process, it may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The integration of the JPJ Group and the Target Business will be supported by a strong management team; however, no assurance can be given that the integration process will deliver all, or substantially all, of the expected benefits or realise such benefits in a timely manner or at all. The JPJ Group may also encounter difficulties integrating its operations with those of the Target Business, resulting in a delay in achieving, or the failure to achieve, the anticipated cost savings. Some of the key potential difficulties relating to the integration of the businesses of the two businesses include:

(a) the unexpected loss of key personnel and customers;

(b) difficulties in integrating the financial, regulatory, technological and management standards, technical platforms, processes, procedures and controls of the two businesses;

(c) aligning the transfer pricing arrangements to reflect the operating procedures of the Enlarged Group;

(d) challenges in managing the increased scope, geographic diversity and complexity of the Enlarged Group's operations; and

(e) attempts by third parties to terminate or alter their existing contracts with the JPJ Group or the Target Business.

Any such difficulties could lead to higher than anticipated integration costs and may divert management time and resources when seeking to deal with such issues and may affect the JPJ Group's ability to achieve the anticipated benefits of integration. If such difficulties are significant, this could have a material adverse effect on the Enlarged Group's business, prospects, revenues, operating results and financial condition.

7.3 **The JPJ Group and, following Completion, the Enlarged Group may not realise the anticipated financial benefits, including certain cost savings, of the Acquisition in full or in the expected time frame.**

The JPJ Directors expect that, as a result of the Acquisition, the Enlarged Group will be able to realise certain financial benefits, including certain cost savings. The estimates regarding the quantum and timing of potential benefits resulting from the Acquisition included in this document are based on the JPJ Directors' assessment of information available to them as at the date of this document, and may prove to be incorrect. The Enlarged Group may not realise the anticipated financial benefits, including certain cost savings, of the Acquisition, and may not be successful in integrating the business and operations of the JPJ Group and the Target Business.

In addition, the anticipated financial benefits, including certain cost savings, of the Acquisition are based on assumptions regarding, amongst other things, the financial and operational performance of the Target Business, including in the period prior to Completion. The period prior to Completion may create uncertainty about the Target Business's future, as the Target Business is subject to a number of risks that may harm its business, revenue and results of operations, which may not have been identified as potential liabilities. The diversion of management and employee attention may detract from the Target Business's ability to grow revenues and it may be unable to respond effectively to competitive pressures, industry developments and future opportunities. A failure to deliver all, or substantially all, of the expected cost savings in a timely manner, or at all, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

7.4 **The JPJ Group and, following Completion, the Enlarged Group may incur higher than expected integration and Acquisition-related costs.**

The JPJ Group is expected to also incur legal, accounting and transaction fees and other costs related to the Acquisition of approximately £14.0 million (including VAT, where relevant). Some of these costs are payable regardless of whether the Acquisition is completed, and such costs may be higher than anticipated. If costs are higher than the JPJ Group anticipates, this may reduce the net benefits of the Acquisition and have a material adverse effect on the Enlarged Group's business, prospects, revenues, operating results and financial condition.

7.5 **Potentially disruptive effect of the Acquisition on the JPJ Group, the Target Business and, following Completion, the Enlarged Group.**

Whether or not Completion occurs, the prospect of the Acquisition completing could cause disruption in the businesses of the JPJ Group and/or the Target Business. If Completion were to occur, the process of integrating the businesses of the Enlarged Group could potentially lead to the interruption of operations of the businesses, system integration issues, the diversion of management time away from their usual roles and or a loss of customers or key personnel, which could have an adverse effect on the business, results of operations or financial condition of the Enlarged Group.

If the JPJ Group and the Target Business or, following Completion, the Enlarged Group fail to manage these risks effectively, the business and financial results of the JPJ Group, the Target Business and, following Completion, the Enlarged Group could be adversely affected.

7.6 **The availability of the Additional Facility is subject to conditions precedent and, if such conditions precedent are not satisfied, the Company may not have sufficient funds with which to complete the Acquisition.**

The availability of the Additional Facility is subject to conditions precedent that are customary for transactions of this nature. Such conditions precedent include: (i) the absence of a change of control of the

JPJ Group; (ii) it not being illegal for the Additional Debt Arrangers to lend the Additional Facility; (iii) the accuracy of certain material representations, and the absence of certain material defaults, in respect of the Company, Luxco, members of the JPJ Group that have given guarantees in respect of the Credit Facilities and certain other material members of the JPJ Group; and (iv) certain other customary conditions precedent which are either satisfied or the satisfaction of which is within the Company's control. If such conditions precedent are not satisfied, the Company may not have sufficient funds with which to complete the Acquisition and, in the case of (i), (iii) and (iv), if the Company did not have sufficient funds with which to complete the Acquisition, would be in breach of the Primary Sale Agreement. In such an event, the benefits expected to result from the Acquisition will not be achieved, none of the New JPJ Shares will be issued and the market price of the JPJ Shares may be adversely affected.

7.7 **The Acquisition will materially increase the net indebtedness of the Enlarged Group and may restrict the JPJ Group's and, following Completion, the Enlarged Group's operational flexibility.**

The JPJ Group and certain of its subsidiaries are party to the Senior Facilities Agreement and JPJ has entered into a commitment for the Additional Facility which will be used to finance the cash consideration payable to Gamesys Shareholders pursuant to the Acquisition and to pay related costs. As a result, following Completion, the Enlarged Group will be subject to restrictive covenants (which are customary for a debt facility of this nature). Following Completion, where the Enlarged Group wishes to enter into a transaction or undertake corporate action which is not permitted under such covenants, it will need to obtain the prior consent of the entities to which the indebtedness under the Senior Facilities Agreement is syndicated (or a certain subset of such entities, depending on the nature and scope of the transaction or corporate action envisaged), and there can be no guarantee that such consent would be obtained. Following Completion this may restrict the operational and financial flexibility of the Enlarged Group with respect to, amongst other things, making minority or joint venture investments, granting security, making acquisitions, entering into mergers, making disposals or incurring financial indebtedness, in each case unless such matter is expressly carved-out from the relevant restrictive covenant or can be accommodated within the customary baskets, materiality thresholds and, where applicable, debt incurrence ratios provided for in the Senior Facilities Agreement and associated finance documents.

7.8 **The risk of executing the Acquisition could cause the market price of the JPJ Group and, following Completion, the Enlarged Group to decline.**

The market price of the JPJ Shares may decline for many reasons as a result of the Acquisition including if:

(a) the integration of the Target Business and the JPJ Group is unsuccessful;

(b) the Company does not achieve the expected benefits of its acquisition of the Target Business as rapidly or to the extent anticipated by the Company's financial analysts or investors or at all;

(c) the effect of the Company's acquisition of the Target Business on its financial results is not consistent with the expectations of financial analysts or investors; or

(d) former Gamesys Shareholders sell a significant number of their New JPJ Shares after Completion and following the expiry of any lock-up restrictions and orderly marketing provisions (as described in paragraph 16.9 (*Lock-Up and Orderly Marketing Agreements*) of "*Part 11: Additional Information*").

The number of JPJ Shares that will be issued to Gamesys Shareholders pursuant to the Acquisition will be 33,653,846 (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion), representing approximately 31.1 per cent. of the Enlarged Group's issued share capital.

Each of Lee Fenton, Robeson Reeves, Noel Hayden, Andrew Dixon, Robin Tombs and Wendy Tombs 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 a lock-up period of: (i) 18 months following Completion in the case of Lee Fenton and Robeson Reeves; (ii) 180 days following Completion in the case of Noel Hayden; and (iii) 90 days following Completion in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. Each of Andrew Dixon, Robin Tombs, Wendy Tombs, Michael Mee, Noel Hayden and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion will be required to enter into orderly marketing agreements on Completion, pursuant to which they will agree that they will be subject to orderly marketing restrictions on their ability to dispose of New JPJ Shares for a period of: (i) 180 days following Completion in the case of Michael Mee and certain members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion; (ii) 180 days following the expiry of his lock-up period in the case of Noel Hayden; and (iii) 90 days following the expiry of their respective lock-up periods in the case of Andrew Dixon, Robin Tombs and Wendy Tombs. If JPJ Shareholders sell a substantial number of JPJ Shares in the public market, the market price of the JPJ Shares could fall. The perception among investors that any particular JPJ Shareholder might sell substantial numbers of JPJ Shares could similarly depress the price of JPJ Shares for an unknown period of time. Upon expiry of such lock-up, each such individual may seek to sell JPJ Shares. If a significant proportion of individuals who receive New JPJ Shares in the Acquisition seek to sell those New JPJ Shares within a short period after Completion and/or the expiry of any applicable lock-ups, this could create selling pressure in the market for JPJ Shares or a perception that such selling pressure may develop, either of which may adversely affect the market for, and the market price of, JPJ Shares.

7.9 **Following Completion, the Enlarged Group may face competition from the Virgin Bet site, which will be operated by the Residual Sports Business.**

The Residual Sports Business (which will be retained by the Gamesys Shareholders and not acquired by the JPJ Group pursuant to the Acquisition) will have the right to operate the Virgin Bet site, which will offer online betting and, on an ancillary basis, online gaming (excluding bingo). The Virgin Games site (which will be operated by the Enlarged Group after Completion) will also offer online gaming.

The Virgin Bet site will receive online games content from the Residual Content Business, which will also be supplying online games content to the Enlarged Group pursuant to the terms of (i) the non-US games licence agreement to be entered into between Rabbitfoot Gibraltar, a member of the Residual Content Business, and Gamesys Gibraltar, a member of the Enlarged Group, on Completion and (ii) the US games licence agreement to be entered into between Content Holdco and Gamesys Limited, a member of the Enlarged Group, on Completion (together, the "**Games Licence Agreements**"). Pursuant to the terms of the Games Licence Agreements, certain online games (which are high-earning games classified as "Tier 1" games) and certain other online games (which are lower-earning games classified as "Tier 2" games) may only be supplied by the Residual Content Business to the Enlarged Group for three years (in the case of Tier 1 games) and two years (in the case of Tier 2 games) for use in the UK, Sweden, Spain and New Jersey, USA (the "**Restricted Territories**"). However, the Residual Content Business is permitted to supply any Tier 2 games to the Residual Sports Business to use on the Virgin Bet site in the Restricted Territories. There are no restrictions on the supply of online games (including Tier 1 and Tier 2 games) by the Residual Content Business outside of the Restricted Territories, nor are there any restrictions on the supply of existing online games which are not Tier 1 or Tier 2 games or any new games in the Restricted Territories.

The use by the Residual Sports Business of the Virgin Bet brand in general, and in particular in relation to online gaming (which is also the product offering of the Virgin Games site), could cause customer confusion, and there is a risk that online gaming customers of the Virgin Games site (which offers online gaming) may be attracted to play online games on the Virgin Bet site (which will offer online betting and also, on an ancillary basis, online gaming (excluding bingo)). In the event that the Enlarged Group is unable to maintain product differentiation between the Virgin Games site and the Virgin Bet site, there is a risk that the marketing and advertising spend incurred by the Enlarged Group to promote the Virgin Games site may benefit the competing Virgin Bet site.

The Residual Sports Business is only permitted to offer online gaming (excluding bingo) on the Virgin Bet site on an ancillary basis. There is a risk that disputes may arise in the future as to whether or not this requirement is being satisfied, and that such disputes may not be resolved in favour of the Enlarged Group.

There is a risk that any adverse matters associated with the Virgin Bet brand could be associated with the Virgin Games brand by consumers and regulators, and this could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and/or prospects.

The Enlarged Group may also face competition from the Residual Sports Business in relation to other websites which the Residual Sports Business may launch in the future or the supply by the Residual Content Business of online games outside of the restrictions set out above. A significant loss of market share due to competition from the Residual Sports Business could have a material adverse effect on the Enlarged Group's business prospects, revenues, operating results and financial position.

7.10 **Following Completion, the Enlarged Group will be reliant on games and game delivery platforms provided by the Residual Content Business.**

It is essential for online gaming sites to offer a wide range of high-quality games, and to refresh that offering on a regular basis, in order to attract and retain customers. The Target Business Branded Sites, Tropicana Site and the JPJ Branded Sites currently offer a range of games produced by the Gamesys Group, as well as a range of third-party games. Pursuant to the Acquisition, the JPJ Group will acquire the Gamesys Group's existing portfolio of bingo games (the "**Target Business Bingo Games Content**"), but not the Gamesys Group's existing portfolio of non-bingo games or any intellectual property rights in the name or graphics associated with the Target Business Bingo Games Content if these are shared with the Gamesys Group's existing portfolio of non-bingo games (the "**Legacy Gamesys Non-Bingo Games Content**"), which will be retained by the Residual Content Business.

At Completion, a member of the Enlarged Group will enter into the Games Licence Agreements with the Residual Content Business, pursuant to which the Residual Content Business will supply it with the existing non-bingo games, and license to the Enlarged Group the rights to use any retained intellectual property rights in the Target Business Bingo Games Content, which are comprised within the Legacy Gamesys Non-Bingo Games Content, for use in the Restricted Territories, and any new games which the parties may agree are to be supplied.

In the event that the Residual Content Business suffers a material adverse event, such as insolvency or loss of a gambling licence, then the supply of games to the Enlarged Group from the Residual Content Business may cease in one or more Restricted Territories. The supply of games to the Enlarged Group from the Residual Content Business may also be adversely affected by a range of other factors, such as if there is a deterioration in commercial relations, or the Residual Content Business is acquired by a competitor of the Enlarged Group, or the Residual Content Business focuses on other business opportunities.

7.11 **The success of the Enlarged Group will be dependent on effectively separating the Target Business from the Residual Sports Business and the Residual Content Business.**

At Completion, the JPJ Group will acquire the Target Business from the Gamesys Group, but not the Residual Sports Business or the Residual Content Business, which will be retained by the Gamesys Shareholders (other than Lee Fenton and Robeson Reeves in respect of the Residual Content Business). Pursuant to the Gamesys Group Reorganisation, the assets and liabilities attributable to the Target Business will be separated from the assets and liabilities attributable to each of the Residual Sports Business and the Residual Content Business. At present, the Gamesys Group operates the Target Business and the Residual Content Business without any operational or functional separation. There is some separation between the Target Business and the Residual Sports Business, but those businesses share technical services.

The success of the Acquisition will be dependent on achieving an effective separation between the Target Business and the Residual Content Business and the Residual Sports Business. A failure to achieve such separation effectively could have a material adverse effect on the JPJ Group, the Target Business and, following Completion, the Enlarged Group.

The Residual Content Business and the Residual Sports Business will remain reliant on the technical infrastructure of the Target Business for a period of up to three years under the Transitional Services Agreement. The Target Business has also offered to provide certain support services to the Residual Content Business and the Residual Sports Business pursuant to the Transitional Services Agreement, and where possible to sub-license the benefit of certain supplier contracts to the Residual Content Business and the Residual Sports Business.

There is a risk that, sub-licensing the benefit of third-party supplier contracts could place the Target Business in breach of such contracts, and the Target Business could be held contractually liable in the event that the Residual Content Business and/or the Residual Sports Business breach the terms of those third-party supplier contracts as a result of the way in which they use those services. There is a risk that such breaches could expose the Target Business to contractual claims from the third-party suppliers, or that those suppliers may terminate or not renew their contracts with the Target Business. There is a risk that the Residual Content Business and/or the Residual Sports Business may not be able to adequately compensate the Target Business for any loss or disruption which it suffers. Any such loss (to the extent that the Residual Content Business and/or the Residual Sports Business is responsible for a share of such loss) or disruption resulting from the foregoing may have a material adverse effect on the Target Business and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

7.12 **The Gamesys Warranty and Tax Deed will be backed by warranty and indemnity insurance ("W&I") but there are exceptions to the scope of such cover.**

Warranties and indemnities are given by the Gamesys Majority Shareholders in the Gamesys Warranty and Tax Deed. The JPJ Group has entered into the W&I Policies to provide aggregate coverage of £150,000,000. Certain subject areas are excluded from the scope of the W&I Policies, including the specific indemnities given by the Gamesys Majority Shareholders, known risks which have been disclosed by the Gamesys Majority Shareholders, de-grouping charges, transfer pricing, secondary liabilities and any liability relating to data protection laws. Any liabilities arising in these areas would not be covered by the W&I Policies, and therefore recovery would only be against the Gamesys Majority Shareholders directly or indirectly through the set-off amounts due and payable under the Gamesys Warranty and Tax Deed, the Primary Sale Agreement and any other agreement to be entered into by any of the Gamesys Shareholders in connection with either the Warranty and Tax Deed and/or the Primary Sale Agreement (including, for the avoidance of doubt, the reorganisation documents and all agreed form documents under the Warranty and Tax Deed and/or the Primary Sale Agreement) (together, the "**Seller Transaction Documents**") or deductions from the escrow account in which £20 million of the cash component of the Consideration will be held (administrated by an independent third-party escrow agent) (the "**Escrow Account**").

The liability period under the Gamesys Warranty and Tax Deed for general claims is 30 months and for tax claims is 6 years following Completion. For matters to which the W&I Policies apply, the liability of the Gamesys Majority Shareholders is limited to £2,250,000. In respect of claims to which the W&I Policies do not apply the liability of the Gamesys Majority Shareholders is limited to £50,000,000. To the extent that recovery is obtained from the Gamesys Majority Shareholders directly (and not indirectly through set-off of accounts due and payable under the Seller Transaction Documents or deductions from the Escrow Account), the Gamesys Majority Shareholders' liability will be several and proportionate to their entitlement to consideration under the Acquisition. Although there are the W&I Policies and the Escrow Account available to help fund claims under the Seller Transaction Documents, it may not cover a claim in full and there is a risk that, if a claim was made during this period, the Gamesys Majority Shareholders would not be able to satisfy a claim in full or the cap on their individual and aggregate liabilities may be reduced which may have a material adverse effect on the Enlarged Group's business, prospects, revenues, operating results and financial condition.

7.13 **Following Completion, the Enlarged Group will own both the buyer and the seller under the Jackpotjoy SPA.**

As part of the Jackpotjoy Acquisition, the JPJ Group obtained the benefit of a tax indemnity in respect of the acquired business. Tax indemnity claims may be made under the Jackpotjoy SPA until 6 years from the end of the accounting period current at completion of the Jackpotjoy Acquisition. There are less than two years remaining to bring a claim under the Jackpotjoy SPA. The tax indemnity was given by Gamesys Limited, which forms part of the Target Group. Accordingly, the JPJ Group will own both the selling and acquiring parties to the Jackpotjoy SPA, thereby bringing to an end the JPJ Group's practical ability to make a claim under such tax indemnity. An inability of the Enlarged Group to seek compensation for damages it may incur or may have incurred in connection with a breach of contractual warranties or undertakings by the Gamesys Group in connection with the Jackpotjoy SPA could have a material adverse effect on the Enlarged Group's business, prospects, revenues, operating results and financial condition.

7.14 **An investigation by a tax authority in respect of the Target Business could give rise to professional fees and an expenditure of management time, or be negatively perceived by consumers or investors, even if no increased liability to tax is made out.**

Even in cases where a tax authority does not bring a successful claim for an increased amount of tax in respect of the Target Business, there would be costs associated with dealing with an investigation, such as management time, professional fees and, if the investigation became litigious, the costs of litigation.

While most financial outlays in respect of tax investigations relating to the Target Business's pre-Completion periods are (subject to the limitations set out in "*Risk Factors: The Gamesys Warranty and Tax Deed will be backed by warranty and indemnity insurance ("W&I") but there are exceptions to the scope of such cover.*") covered by the Gamesys Majority Shareholders under the Gamesys Warranty and Tax Deed (which is W&I insurance backed), management time is not directly covered. Accordingly, reimbursement of such costs would have the same risk profile as described in "*Risk Factors: The Gamesys Warranty and Tax Deed will be backed by warranty and indemnity insurance ("W&I") but there are exceptions to the scope of such cover.*". Any such costs incurred in relation to an investigation by a tax authority could have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition. As a consumer-focused business, there is a risk that a tax authority's investigation could receive negative media coverage if it reached the public domain. This may have a material adverse effect on the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's business, prospects, revenues, operating results and financial condition.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

JPJ Shareholders should only rely on the information in this document. No person has been authorised to give any information or to make any representations in connection with Admission or the Acquisition, other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Proposed Directors, Canaccord or Macquarie. No representation or warranty, express or implied, is made by Canaccord, Macquarie or any of their affiliates as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Canaccord, Macquarie or any of their affiliates as to the past, present or future.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this document nor the issue of the New JPJ Shares nor Completion nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the JPJ Group since the date of this document or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this document by means of a supplement hereto if a significant new factor that may affect the evaluation by JPJ Shareholders of the terms of the Acquisition occurs prior to Admission or if this document contains any material mistake or inaccuracy. Any supplement to this document will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules.

The contents of this document or any subsequent communication from the Company, Canaccord, Macquarie or any of their respective affiliates, officers, directors, employees or agents are not to be construed as legal, business or tax advice. Each JPJ Shareholder should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

Canaccord, Macquarie and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and members of the JPJ Group for which they would have received customary fees. Canaccord, Macquarie and their affiliates may provide such services to the Company and members of the JPJ Group and any of their respective affiliates in the future.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Proposed Directors, Canaccord, Macquarie or any of their respective affiliates or any of their representatives that any recipient of this document should agree to acquire the New JPJ Shares in accordance with the Acquisition. Prior to making any decision as to whether to hold JPJ Shares, JPJ Shareholders should read the whole of the document carefully (including the documents, or parts thereof, which are incorporated by reference herein) and should not just rely on key information or information summarised within it. In making such a decision, JPJ Shareholders must rely upon their own examination, analysis and enquiry of the Company, the JPJ Group and the terms of the Acquisition and this document, including the merits and risks involved.

JPJ Shareholders who retain JPJ Shares will be deemed to have acknowledged that they have relied solely on the information contained in this document (including those documents (or parts thereof) incorporated by reference herein).

Presentation of financial information

Definition of the group and segments

For the purposes of this document, the terms "**JPJ Group**" or "**Group**" mean the Company and its subsidiary undertakings.

For the financial information for the JPJ Group, comprising the years ended and as at 31 December 2016, 2017 and 2018, the JPJ Group's operations are segmented as follows: (i) the "**Jackpotjoy Business**" (consisting of the real money and online casino operating results of the Jackpotjoy Brands when combined with the service provided by Gamesys and Gamesys Gibraltar under the Operating Agreement); and (ii) the "**Vera&John Business**" (consisting of the real money online casino operating results of various brands operated by Dumarca and Cryptologic Operations, including Vera&John and InterCasino).

The Jackpotjoy Business runs on a platform provided by the Gamesys Group, using gaming licences in the UK, Spain and Gibraltar (with these licences registered to the Gamesys Group). The Vera&John Business operates on the JPJ Group's own proprietary software platform and holds licences in Malta, Sweden and the UK.

On 31 August 2018, the JPJ Group completed the sale of its social gaming business. The results of this business were included in JPJ's Annual Report and Accounts 2018 as a discontinued operation, separately from continuing operations. Within JPJ's Annual Report and Accounts 2018, the results of operations for the year ended 31 December 2017 were restated correspondingly, and therefore all of the information incorporated by reference into this document as referred to in the table set out in "*Part 5: Operating and Financial Review of the JPJ Group*" analyses JPJ's results for the year ended 31 December 2017 on a restated basis. A reconciliation of these restated results of operations for the year ended 31 December 2017 back to the Company's audited financial information for the year ended 31 December 2017 is included in Note 7 (Discontinued Operations) in JPJ's Annual Report and Accounts 2018, which is incorporated by reference into, and forms part of, this document.

Furthermore, in JPJ's Annual Report and Accounts 2018, the real money operating results of various online bingo websites operated by the Mandalay Group, including Costa Bingo, and the operating results of affiliates (the "**Mandalay Segment**") was aggregated with the Jackpotjoy Business, and all segmental analysis for the year ended 31 December 2018 and comparative segmental analysis for the year ended 31 December 2017, including the information incorporated by reference into this document as referred to in the table set out in "*Part 5: Operating and Financial Review of the JPJ Group*", was restated on this basis. In contrast, in JPJ's audited financial information for the respective years ended 31 December 2017 and 31 December 2016, which is incorporated by reference into, and forms part of, this document, the Mandalay Segment is shown separately.

Historical financial information

The historical consolidated financial information relating to: (i) the JPJ Group referred to in *"Part 7: Historical Financial Information of the JPJ Group"* of this document and which is incorporated by reference into this document as set out therein; and (ii) the Target Business set out in *"Part 8: Historical Financial Information of the Target Business*" of this document, have each been prepared in accordance with IFRS.

The Target Business Historical Financial Information comprises the financial years ended and as at 31 March 2016, 2017 and 2018 and the nine-month periods ended and as at 31 December 2017 and 2018. The Target Business Historical Financial Information (as defined below) has been prepared in respect of the acquired business elements only, i.e. the entirety of the business, assets and liabilities currently comprised within the Gamesys Group, save for the business, assets and liabilities relating to (i) the Residual Sports Business, being the "Virgin Bet" branded sports betting business of the Gamesys Group and the "Livescore" sports data and media business; (ii) 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; (iii) the white label contracts discontinued by the Gamesys Group and the social betting and gaming businesses disposed of by the Gamesys Group, including both support services and the operation of own brands; and (iv) certain other immaterial subsidiaries of the Gamesys Group, (the "**Target Business Historical Financial Information**"), as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document. The Target Business Historical Financial Information has therefore been prepared on a carve-out basis from the historical financial information of the Gamesys Group.

The JPJ Group Historical Financial Information comprises the years ended and as at 31 December 2016, 2017 and 2018 and the three months ended 31 March 2019 and 2018. The historical financial information in the JPJ Group Historical Financial Information and the Target Business Financial Information has been prepared in accordance with the requirements of the PD Regulation (as defined in "*Part 12: Definitions*"), the Listing Rules and IFRS (as defined in "*Part 12: Definitions*"). The JPJ Directors confirm that no material adjustments need to be made to the Target Business Historical Financial Information to achieve consistency with the accounting policies adopted by the Company in its latest annual accounts.

Unaudited pro forma financial information

In this document, any reference to pro forma financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in "*Part 9: Unaudited Pro Forma Financial Information*" of this document. The unaudited pro forma financial information consists of a pro forma income statement and a pro forma net assets statement relating to the Enlarged Group. These have been prepared in accordance with Annex II to the PD Regulation and in a manner consistent with the accounting policies and presentation adopted by the JPJ Group in relation to the audited consolidated financial statements for the year ended 31 December 2018.

The unaudited pro forma statement of net assets has been prepared based on the net assets of the JPJ Group as at 31 March 2019 and the net assets of the Target Business as at 31 December 2018. The unaudited pro forma statement of net assets has been prepared to illustrate the impact of the acquisition of the Target Business on the net assets of the JPJ Group as if it had been completed on 31 March 2019.

The unaudited pro forma income statement has been prepared based on the consolidated income statement of the JPJ Group for the year ended 31 December 2018 and the consolidated income statement of the Target Business for the year ended 31 December 2018. The unaudited pro forma income statement has been prepared to illustrate the impact of the acquisition of the Target Business on the consolidated income statement of the JPJ Group as if it had been completed on 1 January 2018.

Due to its nature, the unaudited pro forma income statement and pro forma net assets statement address a hypothetical situation. They do not represent the JPJ Group's actual financial position or results, or what the Enlarged Group's actual financial position or results would have been if the acquisition of the Target Business had completed on the dates indicated.

Foreign currency translation

For reporting purposes, the JPJ Group Historical Financial Information has been prepared in pounds sterling. References to "**€**" are to euros, references to "**£**" are to pounds sterling and references to "**USD**" are to US dollars.

Effective from 1 January 2017, the JPJ Group changed its presentation currency from Canadian dollars ("**CAD**") to pounds sterling ("**GBP**" or "**£**"). The consolidated financial information for the JPJ Group for the year ended 31 December 2016, incorporated by reference into this document from the announcement titled "*Notification of a Transfer to a Premium Listing*" dated 27 June 2018 ("**JPJ's Transfer Announcement**") was restated in GBP in accordance with the guidance defined in IAS 21—"*The Effects of Changes in Foreign Exchange Rates*".

JPJ Group's Alternative Performance Measures

The JPJ Board has adopted the following metrics, which are considered to give an understanding of the JPJ Group's underlying performance drivers. These measures are referred to as alternative performance measures (as defined in the ESMA Guidelines on Alternative Performance Measures) ("**Alternative Performance Measures**" or "**APMs**") The APMs described below are not measures of financial performance under generally accepted accounting principles, including IFRS, and should not be considered in isolation or as an alternative to the primary financial information relating to the JPJ Group referred to in "*Part 7: Historical Financial Information of the JPJ Group*" of this document. Because these measures are not determined in accordance with generally accepted accounting principles and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies.

The JPJ Board considers the JPJ Group's non-financial APMs to be as follows:

- ***Average Active Customers per Month***

A key performance indicator used by the JPJ Directors to assess real money customer acquisition and real money customer retention efforts of each of the JPJ Group's brands. The JPJ Group defines "**Average Active Customers**" as being real money customers who have placed at least one bet in a given month. "**Average Active Customers per Month**" is the Average Active Customers per month, averaged over a 12-month period. While this measure is not recognised by IFRS, the JPJ Directors believe that it is a meaningful indicator of the JPJ Group's ability to acquire and retain customers.

- ***Average Real Money Gaming Revenue per Month***

A key performance indicator used by the JPJ Group to assess revenue earned from real money gaming operations of the business. The JPJ Group defines "**Total Real Money Gaming Revenue**" as revenue less revenue earned from B2B websites. The JPJ Group defines "**Average Real Money Gaming Revenue per Month**" as Total Real Money Gaming Revenue per month, averaged over a 12-month period. While these measures are not recognised by IFRS, the JPJ Directors believe that they are meaningful indicators of the JPJ Group's real money gaming operational results.

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

A key performance indicator used by the JPJ Group to assess the JPJ Group's ability to generate Total Real Money Gaming Revenue on a per customer basis. The JPJ Group defines "**Monthly Real Money Gaming Revenue per Average Active Customer**" as being Average Real Money Gaming Revenue per Month divided by Average Active Customers per month. While this measure is not recognised by IFRS, the JPJ Directors believe that it is a meaningful indicator of the JPJ Group's ability to generate Total Real Money Gaming Revenue.

The JPJ Board considers the JPJ Group's financial APMs to be as follows:

- ***EBITDA***

"**EBITDA**", as defined by the JPJ Group, is income from continuing operations before interest expense including accelerated debt costs and other accretion (net of interest income), income taxes, amortisation and depreciation.

- ***Adjusted EBITDA***

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

- ***Adjusted Net Income***

"**Adjusted Net Income**", as defined by the JPJ Group, means net income from continuing operations plus or minus items of note that the JPJ Directors may reasonably quantify and believe will provide the reader with a better understanding of the JPJ 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 (including non-compete clauses), share-based compensation, Independent Committee-related expenses, severance costs, realised (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. The exclusion of accretion on financial liabilities including accelerated debt issue costs and share-based compensation eliminates the non-cash items and the exclusion of amortisation of acquisition-related purchase price intangibles (including non-compete clauses), realised (gain)/loss on cross currency swap, fair value adjustments on contingent consideration, Independent Committee-related expenses, severance costs, transaction-related costs, foreign exchange (gain)/loss, and gain on sale of intangible assets eliminates items which the JPJ Directors believe 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***

"**Diluted Adjusted Net Income per Share**", as defined by the JPJ 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. The JPJ Directors believe that Diluted Adjusted Net Income per Share assists with the JPJ Group's ability to analyse Adjusted Net Income on a diluted weighted average per share basis.

- ***Pro Forma Net Leverage***

Any reference to "*Pro Forma Net Leverage*" of approximately 3.1x in this document is calculated as the Pro Forma Net Debt (see below) divided by Pro Forma Adjusted EBITDA £170.9 million, whereby:

  - "*Pro Forma Net Debt*" of the Enlarged Group of £524.3 million is calculated from the Unaudited Pro Forma Financial Information in this document as pro forma long-term debt (£541.5 million) plus deferred consideration (£10.0 million), less pro forma cash (£53.4 million) excluding Target Business cash held at payment service providers of £26.2 million; and

- "*Pro Forma Adjusted EBITDA*" of the Enlarged Group for the year ended 31 December 2018 is set out in the Unaudited Pro Forma Financial Information in this document.

Reconciliation of the JPJ Group's EBITDA, Adjusted EBITDA, Adjusted Net Income, and Diluted Adjusted Net Income per Share

The information incorporated by reference provides a reconciliation of the JPJ Group's reported results to its adjusted measures for the years ended 31 December 2016, 2017 and 2018 and for the three months ended 31 March 2019.

Information incorporated by reference into this document		Reference document	Page number in reference document
(i)	All text under the heading "*Segment Information*"	JPJ's Q1 2019 Results	17
(ii)	All text under the heading "*Adjusted EBITDA, Adjusted Net Income, and Diluted Adjusted Net Income per Share for the year ended 31 December 2018 and 2017*"	JPJ's Annual Report and Accounts 2018	21
(iii)	All text under the heading "*Segment Information*"	JPJ's Transfer Announcement	24-28

Target Business's Alternative Performance Measures

The Target Business's non-financial APMs are 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's 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. While this measure is not recognised by IFRS, the Company understands that the Target Business management believes that it is a meaningful indicator of the Target Business's ability to acquire and retain customers.

- ***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. While these measures are not recognised by IFRS, the Company understands that the Target Business management believes that they are meaningful indicators of the Target Business's real money gaming operational results.

- ***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's 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. While this measure is not recognised by IFRS, the Company understands that the Target Business management believes that it is a meaningful indicator of the Target Group's ability to generate TB Total Real Money Gaming Revenue.

The Target Business's financial APMs are as follows:

- EBITDA;
- Adjusted EBITDA; and
- Adjusted Net Income,

as defined by the Target Business in paragraphs 4.9 to 4.11 in "*Part 6: Operating and Financial Review of the Target Business*".

Reconciliation of the Target Business's EBITDA, Adjusted EBITDA, Adjusted Net Income

Reconciliations of the Target Business's EBITDA, Adjusted EBITDA, Net Income and Adjusted Net Income are set out in paragraph 5.1 (*Results of operations of the Target Business for the period under review*) in "*Part 6: Operating and Financial Review of the Target Business*".

Other information

The JPJ Shares' 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 trading prior to the date of the Acquisition announcement, and has been rounded to the nearest decimal. 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 (before any impact of "point-of-consumption" gaming tax increases, fees to be paid from the Games Licence Agreements and any annualised cost savings from the Acquisition as outlined in *"Part 1: Letter from the Chairman of JPJ Group plc*").

Rounding

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Market, economic and industry data

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 JPJ Group and its business 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 JPJ Group does not intend, and does not assume any obligation, to update industry or market data set forth in this document. Because market behaviour, preferences and trends are subject to change, JPJ Shareholders should be aware that 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 JPJ Group's future results of operations.

The Company confirms that all such data contained in this document has been accurately reproduced from the referenced sources and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the information so reproduced inaccurate or misleading.

Where third-party information has been used in this document, the source of such information has been identified.

Trademarks and trade names

The JPJ Group, the Target Business and, following Completion, the Enlarged Group, own or have rights to certain trademarks or trade names that they use in conjunction with the operation of their businesses. Each trademark, trade name or service mark of any other company appearing in this document belongs to its holder.

Service of process and enforcement of civil liabilities

The Company has been incorporated under the laws of England and Wales. Service of process upon directors and officers of the Company, all of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, since most directly owned assets of the Company are outside the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability of certain civil liabilities under US federal securities laws in original actions in English courts and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a US court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

No incorporation of website information

The contents of the JPJ Group's website and the Gamesys Group's website do not form part of this document.

Definitions and glossary

Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in "*Part 12: Definitions*".

Information regarding forward-looking statements

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the JPJ Group's, Target Business's or, following Completion, the Enlarged Group's control and all of which are based on the Directors' and Proposed Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates", or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors, the Proposed Directors or the JPJ Group or the Target Business concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the JPJ Group, the Target Business and, following Completion, the Enlarged Group (as applicable) and the industry in which it operates. In particular, the statements under the headings "*Summary Information*", "*Risk Factors*", "*Part 2: Information on the JPJ Group*", "*Part 3: Information on the Target Business*", "*Part 5: Operating and Financial Review of the JPJ Group*" and "*Part 6: Operating and Financial Review of the Target Business*" regarding the JPJ Group's, the Target Business's and, following Completion, the Enlarged Group's strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the JPJ Group, the Target Business and, following Completion, the Enlarged Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the JPJ Group's, the Target Business's or, following Completion, the Enlarged Group's actual results to so vary include, but are not limited to, those described in "*Risk Factors*" in this document. No statement in this document is or is intended to be a profit forecast or to imply that the results of the Company or the Target Business for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company or the Target Business.

Forward-looking statements contained in this document speak only as of the date of this document. The Company, the Directors, the Proposed Directors, Macquarie and Canaccord expressly disclaim any obligation or undertaking to update the forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable laws, the Market Abuse Regulation, the Prospectus Rules, the Listing Rules or the Disclosure Guidance and Transparency Rules of the FCA. No statement contained in this section entitled "*Information regarding Forward-Looking Statements*" should be taken as qualifying the statements made as to sufficiency of working capital in paragraph 13 (*Working Capital*) of "*Part 11: Additional Information*."

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The times and dates set out in the expected timetable of principal events below and mentioned throughout this document are based on the JPJ Directors' current expectations and will depend, amongst other things, on the dates upon which conditions to the Acquisition are satisfied (or waived). The times and dates set out below may be adjusted by the Company in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, JPJ Shareholders through a Regulatory Information Service. Notwithstanding the foregoing, JPJ Shareholders may not receive any further written communication. All references to times in this document are to London times unless otherwise stated.

Each of the times and dates in the table below (other than those that have already occurred) is indicative only and may be subject to change.

Event	Time and Date[1]
Announcement of the Acquisition	13 June 2019
Publication of this document	27 June 2019
Latest time and date for receipt of JPJ forms of proxy/ CREST Proxy Instructions for the JPJ General Meeting	2 p.m. on 29 July 2019
Voting Record Time	6 p.m. on 29 July 2019
JPJ General Meeting	2 p.m. on 31 July 2019
Completion (Long Stop Date)	by 31 December 2019
Issue of New JPJ Shares to Gamesys Shareholders	By 8.00 a.m. on the business day following the date of Completion
Admission and commencement of dealings in Existing JPJ Shares and New JPJ Shares	By 8.00 a.m. on the business day following the date of Completion
CREST accounts credited	As soon as possible after 8.00 a.m. on the business day following the date of Completion
Despatch of definitive share certificates, where applicable	Within 14 days of the date of Completion

ACQUISITION STATISTICS

Number of JPJ Shares in issue as at the Latest Practicable Date	74,473,678
Number of New JPJ Shares to be issued in connection with the Acquisition (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion)	33,653,846
Number of JPJ Shares in issue immediately following Admission(1)	108,127,524
New JPJ Shares as a percentage of the total issued share capital of the Enlarged Group immediately following Admission(1)(2)	31.1 per cent.
Cash consideration payable on Completion	£240 million
Cash consideration payable 30 months after Completion	£10 million
Total value of consideration(3)	approx. £490 million

(1) Assumes that no further JPJ Shares are issued between the Latest Practicable Date and Admission.

(2) Based on the number of JPJ Shares in issue as at the Latest Practicable Date.

(3) Based on the closing middle market price of 732 pence per JPJ Share on the Latest Practicable Date, the issue of 33,653,846 JPJ Shares to Gamesys Shareholders, together with the £250 million of Cash Consideration, equates to approximately £496 million of total consideration for the Acquisition (and of the basis of the 30-day volume-weighted average price of 713 pence per JPJ Share over the period to 12 June 2019, being the last trading day prior to announcement of the Acquisition, equates to approximately £490 million of total consideration for the Acquisition). In addition, the upfront cash component of 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 and the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items to which members of the Target Group are entitled or may become entitled following Completion. Further details are provided in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

DIRECTORS, PROPOSED DIRECTORS, REGISTERED OFFICE AND ADVISERS

JPJ Directors	Neil Goulden (Executive Chairman) Simon Wykes (Chief Executive Officer of Jackpotjoy Operations and Director) Keith Laslop (Chief Financial Officer and Director) Colin Sturgeon (Senior Independent Non-Executive Director) Nigel Brewster (Independent Non-Executive Director) Jim Ryan (Independent Non-Executive Director) Andria Vidler (Independent Non-Executive Director)
Proposed Directors (appointed with effect from Completion)	Lee Fenton (Proposed Chief Executive Officer) Robeson Reeves (Proposed Chief Operating Officer)
Chief Legal Officer and Company Secretary	Daniel Talisman
Registered Office and Telephone Number......................................	35 Great St. Helen's London EC3A 6AP United Kingdom Tel: +44 207 160 5000
Sponsor, Co-Financial Adviser and Broker to the Company	Canaccord Genuity Limited
Lead Financial Adviser to the Company	Macquarie Capital (Europe) Limited
Legal Advisers to the Company	Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH Clifford Chance LLP 10 Upper Bank Street London E14 5JJ
Legal Advisers to the Sponsor, Co-Financial Adviser and Broker	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Reporting Accountants and Auditors to the Company................................	BDO LLP 55 Baker Street London W1U 7EU
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

PART 1: LETTER FROM THE CHAIRMAN OF JPJ GROUP PLC

JPJ Group plc

(*incorporated under the Companies Act 2006 and registered under the laws of England and Wales with registered no. 10303804*)

Directors	Registered office
Neil Goulden (Executive Chairman)	35 Great St. Helen's
Simon Wykes (Chief Executive Officer of Jackpotjoy Operations and Director)	London EC3A 6AP
Keith Laslop (Chief Financial Officer and Director)	
Colin Sturgeon (Senior Independent Non-Executive Director)	
Nigel Brewster (Independent Non-Executive Director)	
Jim Ryan (Independent Non-Executive Director)	
Andria Vidler (Independent Non-Executive Director)	

27 June 2019

Dear JPJ Shareholder,

1. INTRODUCTION

Acquisition

On 13 June 2019, the Company announced that it had entered into a conditional agreement to acquire the business of the Gamesys Group, excluding sports brands and games, for a mixture of cash and New JPJ Shares, through the acquisition of the entire issued share capital of Target Group Holdco (the "**Acquisition**").

The Acquisition is expected to enhance scale, creating a group which is strategically well positioned for future growth in an evolving global gaming sector. The Enlarged Group is expected to 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 is expected to result in a strategically aligned Enlarged Group with a strong financial profile set to compete in an evolving marketplace.

Under the Acquisition, JPJ will acquire the Target Business, being the entirety of the business, assets and liabilities currently comprised within the Gamesys Group, save for the business, assets and liabilities relating to (i) the "Virgin Bet" branded sports betting business of the Gamesys Group and the "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 the Gamesys Group Reorganisation prior to Completion, as a result of which the Target Group will be carved out from the Gamesys Group and the ultimate holding company of the Target Group will be Target Group Holdco, which will be owned by the Gamesys Shareholders.

Shareholder approval

Owing to its size, the Acquisition constitutes a "reverse takeover" for the purposes of the Listing Rules 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. Neither the Acquisition nor Admission will proceed if the JPJ Shareholder Resolutions are not passed. Accordingly, the JPJ Board is convening the JPJ General Meeting to seek JPJ Shareholder approval for the Acquisition. Accordingly, the JPJ General Meeting is to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT. JPJ Shareholders will also be asked to approve the allotment of the New JPJ Shares in connection with the Acquisition. An explanation of the JPJ Shareholder Resolutions is set out in paragraph 11 (*JPJ General Meeting*) below.

Purpose of this letter

This letter is intended to explain:

- the background to and reasons for the Acquisition;
- the key terms of the Acquisition; and
- why the JPJ Board believes the Acquisition is in the interests of the Company and the JPJ Shareholders as a whole and seek your approval of the JPJ Shareholder Resolutions.

You are recommended to read the whole of this document and not rely on the summarised information set out in this letter. In particular, you are advised to consult the section of this document headed "*Risk Factors*" on pages 22 to 66.

2. TERMS OF THE ACQUISITION

The total consideration for the Acquisition comprises:

(a) £240 million payable by the Company in cash on Completion to Gamesys Shareholders (the "**Completion Consideration**");

(b) £10 million payable by the Company in cash to Gamesys Shareholders 30 months after Completion (the "**Deferred Consideration**" and, together with the Completion Consideration, the "**Cash Consideration**"); and

(c) the issue of 33,653,846 JPJ Shares to Gamesys Shareholders which, on the basis of the closing middle market price of 732 pence per JPJ Share on the Latest Practicable Date, equates to approximately £246 million (and on the basis of the 30-day volume weighted average price of 713 pence per JPJ Share over the period to 12 June 2019, being the last trading day prior to announcement of the Acquisition, equates to approximately £240 million) (such number being subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion),

(together, the "**Consideration**").

In addition, the upfront cash component of 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 and the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items to which members of the Target Group are entitled or may become entitled following Completion. Further details are provided in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

The Acquisition represents an estimated multiple of 7.3x Adjusted EBITDA for the Target Business for the 12 months ending December 2018.

Following Completion, Gamesys Shareholders will hold approximately 31.1 per cent. of the shares in the Enlarged Group (in addition to approximately 5.2 per cent. of the Company's share capital already held by Gamesys Shareholders).

As the Acquisition is classified as a "reverse takeover", JPJ will be required to de-list and reapply for the listing of the Existing JPJ Shares and apply for the listing of the New JPJ Shares and satisfy the relevant requirements for listing as if the Enlarged Group were a new applicant. It is therefore anticipated that, immediately prior to Admission, the FCA will cancel the listing of the Existing JPJ Shares on the premium listing segment of the Official List. Applications will be made to the FCA and the London Stock Exchange for the Existing JPJ Shares to be readmitted and for the New JPJ Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market. Upon Completion, in light of the strong brand recognition and goodwill attached to the "Gamesys" name, the Company will be renamed Gamesys Group plc.

Given the shareholder base of Gamesys (which will be the shareholder base of Target Group Holdco immediately prior to Completion), it is anticipated that following Completion there will be no "controlling shareholder(s)" in the Company, as that term is defined in the Listing Rules.

Subject to the satisfaction or, if capable of waiver, waiver of the Conditions prior to the Long Stop Date, it is expected that the Acquisition (and Admission) will become effective in the third quarter of 2019. The JPJ Directors expect that the Enlarged Group will be eligible for inclusion in the FTSE 250.

The JPJ Directors consider the Acquisition and each of the JPJ Shareholder Resolutions to be in the best interests of the Company and the JPJ Shareholders as a whole and unanimously recommend that the JPJ Shareholders vote in favour of the JPJ Shareholder Resolutions (see paragraph 11 (*JPJ General Meeting*) below), as the JPJ Directors who hold or are beneficially entitled to hold JPJ Shares have irrevocably undertaken to do so in respect of their own beneficial holdings of JPJ Shares.

This document is also prepared in connection with the re-admission of the Existing JPJ Shares and admission of the New JPJ Shares to the premium segment of the Official List and to trading on the Main Market and contains further information on the issue of the New JPJ Shares and the Enlarged Group.

3. BACKGROUND TO AND THE COMPANY'S REASONS FOR THE ACQUISITION

The JPJ Group has established itself as a leading online bingo-led operator, with a distinctive portfolio of unique and highly engaging online gaming content, brands and products, supported by operating in highly attractive and growing end markets, a large player base and high levels of customer retention.

The Target Business is one of the leading software developers and operators which serves the online real money gaming industries. For more information, see "*Part 3: Information on the Target Business*".

The JPJ Directors believe that the Acquisition has compelling financial and strategic rationale:

1. Delivering attractive financial benefits to the Enlarged Group

Over the past three years, the Target Business 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 Completion, with significant long-term financial benefits to the Enlarged Group and its shareholders thereafter.

As a result of the Acquisition, Pro Forma Net Leverage for the Enlarged Group is expected to be approximately 3.1x (as described in the Unaudited Pro Forma Financial Information in this document) and the JPJ Directors expect growth and free cash flow generation to drive deleveraging thereafter. The Company has a strong track record of cash flow generation, typically generating over 90 per cent. operating cash flow conversion, and the Enlarged Group is expected to have similar characteristics.

Cost savings

The JPJ Directors expect the Enlarged Group to achieve annualised cost savings arising from the Acquisition in the sum of single-digit millions GBP, 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, including:

- Under the Operating Agreement, the Gamesys Group provides certain operational, financial, marketing, player services and support services in respect of the Jackpotjoy, Starspins and Botemania brands to the Company. The Operating Agreement contains previously agreed arrangements under which the Company 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 the Company as a stand-alone 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 the Company to streamline elements of its current business. This is expected to result in the Enlarged Group reducing directly related costs; and

- Certain 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 estimated financial benefits 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 Company's management team and the Target Business management team 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 and the sharing of information between the JPJ Group and the Target Business management teams coming together as the Enlarged Group management to allow the combined businesses to grow further in an enhanced market. However, no quantification of this potential additional benefit has yet been assessed.

2. **Diversified brand portfolio with international expansion opportunities**

As a result of the Acquisition, the Company 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 the JPJ Group's existing brands will create both a more diversified and balanced brand portfolio (including in terms of the Enlarged Group's net gaming revenue brand split), 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 further below), will also provide the Company with a platform for future growth in the exciting US market.

3. **Executive team with a track record of creating shareholder value**

The Company 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 JPJ Board of Lee Fenton as Enlarged Group CEO and Robeson Reeves as Enlarged Group COO. Both individuals have proven track records in the industry. In addition, the Enlarged Group will benefit from the expertise of an enlarged senior management team below JPJ Board level, comprising executives from both the Company 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.

4. **Greater operational control and enhanced development capabilities**

Following its 2015 acquisition of the Jackpotjoy Business, the Company 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 the Company 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.

5. **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.

6. **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. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information of the Enlarged Group found in "*Part 9: Unaudited Pro Forma Financial Information*" 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 the JPJ Group 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 the JPJ Group 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 is based on:

- the consolidated net assets of the JPJ Group as at 31 March 2019 and the Target Business as at 31 December 2018; and

- the consolidated income statements of the JPJ Group and the Target Business for the year ended 31 December 2018,

as set out in the audited consolidated financial statements of the JPJ Group for the year ended 31 December 2018, the unaudited consolidated financial statements of the JPJ Group for the three months ended 31 March 2019 and the historical financial information of the Target Business, and has been prepared in accordance with Annex II to the PD Regulation, 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 in Section B (*Unaudited Pro Forma Financial Information of the Enlarged Group*) of "*Part 9: Unaudited Pro Forma Financial Information*".

Due to its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation. It does not represent the JPJ Group's actual results of operations or financial condition or what the Enlarged Group's actual results of operations or financial condition would have been if the Acquisition had been completed on the dates indicated.

On the basis set out above:

- the unaudited pro forma statement of net assets of the Enlarged Group as at 31 March 2019 is £303.4 million; and
- the unaudited pro forma profit before tax of the Enlarged Group for the year ended 31 December 2018 is £60.7 million.

5. **DETAILS OF THE ACQUISITION**

Further details regarding the Acquisition, including the conditions to Completion, are set out in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

6. **FINANCING OF THE ACQUISITION**

On 13 June 2019, the Company entered into a commitment for the Additional Facility, an additional term loan facility commitment under its existing Senior Facilities Agreement pursuant to which each of the Additional Debt Arrangers has severally and not jointly agreed to provide to Luxco aggregate additional commitments of the euro equivalent of £175 million under the EUR TLB Loan Facility in connection with the financing of the Cash Consideration payable to the Gamesys Shareholders pursuant to the Acquisition.

In addition, the existing indebtedness under the £250 million GBP TLB Loan Facility, the €140 million Euro TLB Loan Facility drawn by the Company and certain of its subsidiaries under the Senior Facilities Agreement will remain outstanding, and no consents are required from the providers of those facilities for the commitments and financings described in this paragraph. As at the Latest Practicable Date, the Revolving Credit Facility was undrawn.

Further details of the Senior Facilities Agreement are set out in paragraph 16.12 (*Senior Secured Term and Revolving Credit Facility*) of "*Part 11: Additional Information*".

7. **JPJ BOARD**

The current JPJ Board comprises Neil Goulden (Executive Chairman), Simon Wykes (Chief Executive Officer of Jackpotjoy Operations and Director), Keith Laslop (Chief Financial Officer and Director), Colin Sturgeon (Senior Independent Non-Executive Director), Nigel Brewster (Independent Non-Executive Director), Jim Ryan (Independent Non-Executive Director) and Andria Vidler (Independent Non-Executive Director).

On Completion, it is intended that Lee Fenton, currently Chief Executive Officer of the Gamesys Group, will be appointed to the JPJ Board as a director and Chief Executive Officer. On Completion, it is also intended that Robeson Reeves, currently Chief Operating Officer of the Gamesys Group, will be appointed to the JPJ Board as a director and Chief Operating Officer. Lee Fenton and Robeson Reeves have each agreed to enter into service agreements with the Company, on Completion. It is proposed that Simon Wykes will move to the role of "Transition Director" on Completion, remaining on the JPJ Board for a 12-month tenure.

8. **INTEGRATION OF THE ENLARGED GROUP**

The Company intends to integrate its own operations with those of the Target Business, as set out in paragraph 3 (*Background to and the Company's Reasons for the Acquisition*) above. Following Completion, the Company intends to establish an integration committee, which will be composed of the following individuals: Neil Goulden (*Executive Chairman*); Lee Fenton (*Chief Executive Officer)*; Keith Laslop (*Chief Financial Officer*); Robeson Reeves (Chief Operating Officer); Simon Wykes (*Transition Director*) and Dan Talisman (*Chief Legal Officer*). The integration committee will meet on a frequent basis and will provide updates to the JPJ Board not less than once a quarter. Each member of the integration committee will also be responsible for monitoring integration progress with the operational managers who report directly to them.

9. **DIVIDENDS AND DIVIDEND POLICY**

The JPJ Board remains committed to returning excess cash to shareholders when it can do so on a progressive and sustainable basis. The JPJ Group's debt facility allows the JPJ Group 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 the JPJ Group's share price remain, in its view, materially undervalued and at a discount to the peer group.

10. ACQUISITION-RELATED ARRANGEMENTS

As part of the Acquisition, certain arrangements will be entered into by JPJ. These contractual arrangements are set out below.

Primary Sale Agreement

On 13 June 2019, the Gamesys Majority Shareholders and the Company entered into the Primary Sale Agreement, being a conditional sale and purchase agreement in respect of the entire issued share capital of Target Group Holdco pursuant to which 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.

Completion of the Primary Sale Agreement is conditional upon the satisfaction or, if applicable, waiver of certain conditions and subject to the delivery of certain Completion deliverables as set out more fully in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*". Such conditions include the completion of the Gamesys Group Reorganisation and approvals from, or the granting of licences by, various regulatory bodies, including the GBGC. These conditions must be satisfied (or, where applicable, waived) by 31 December 2019, unless agreed otherwise in writing by the Company and a representative of the Gamesys Majority Shareholders.

In consideration for the transfer of the entire issued share capital of the Target Business, the Gamesys Shareholders will receive consideration as described at paragraph 2 (*Terms of the Acquisition*) above. Part of the Consideration is payable on Completion and part of the Consideration is deferred such that it is payable 30 months after Completion. In addition, the Consideration is subject to an upwards or downwards price adjustment by reference to the working capital and net debt of the Target Group at Completion. Any such adjustment would be based on completion accounts. Under the Primary Sale Agreement, the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items which members of the Target Group are entitled or may become entitled to in the future but which relate to pre-Completion events or value items.

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.

At or prior to Completion, all of the Gamesys Minority Shareholders will enter into the Secondary Sale Agreement with the Company to give effect to the Acquisition as it relates to such Gamesys Minority Shareholders.

The Company has agreed to pay to Gamesys a break fee of £4,500,000 if the Primary Sale Agreement is terminated as a direct result of the JPJ Board failing to procure that, among other things, JPJ complies with its obligations under the Primary Sale Agreement to recommend that the JPJ Shareholders approve the Acquisition. The Gamesys Majority Shareholders have agreed to procure that Gamesys pays to the Company a break fee of £4,500,000 if the Primary Sale Agreement is terminated as a direct result of any Gamesys Minority Shareholder failing to enter into a Secondary Sale Agreement.

Further details of the Primary Sale Agreement are set out in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

Games Licence Agreements

Non-US Games Licence Agreement

Rabbitfoot Gibraltar, a member of the Residual Content Business, will, from Completion, license to Gamesys Gibraltar for 15 years certain existing real money games and, subject to further agreement, newly created real money games, in each case for use by the Target Business in the Restricted Territories (excluding New Jersey). The scope of the licence can also be increased by agreement to include further territories. A fee will be charged by Rabbitfoot Gibraltar for the licence based in part on the net revenue earned by the Target Business from the games. A minimum revenue commitment applies in the first three years. Certain of the games will be licensed to the Target Business on an exclusive basis in the Restricted Territories and for a limited time.

US Games Licence Agreement

The US Games Licence Agreement between Content Holdco and Gamesys Limited is on substantially similar terms as the Non-US Games Licence Agreement, save that it relates to New Jersey and contains some market-specific variations. Further details of the Games Licence Agreements are set out in paragraph 16.4 (*Games Licence Agreements*) of "*Part 11: Additional Information*".

Transitional Services Agreement

Gamesys Gibraltar and Residual Business Holdco will, from Completion, provide certain transitional services to each other.

The transitional services to be provided by Gamesys Gibraltar to Residual Business Holdco include (a) use of certain office space by Residual Business Holdco and related facilities services; (b) provision of certain IT services and support, (c) access to certain office furniture and equipment; (d) procurement and sourcing services; and (e) certain migration services to separate certain functions previously provided by the Target Business to the Residual Sport Business and the Residual Content Business.

The transitional services to be provided by Residual Business Holdco to Gamesys Gibraltar include (a) consulting services; (b) the provision of access to certain game integrations on the Residual Business Holdco platform; and (c) interim support for the Target Business's bingo games and chat application.

The services will be provided for the period from Completion up to 31 December 2021, save for the interim support for the Target Business's bingo games and chat application which may extend for a further 12-month period. Cost sharing principles have been agreed to compensate each party for the provision of the various services.

Further details of the Transitional Services Agreement are set out in paragraph 16.5 (*Transitional Services Agreement*) of "*Part 11: Additional Information*".

11. JPJ GENERAL MEETING

Owing to its size, the Acquisition constitutes a "reverse takeover" for the purposes of the Listing Rules 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. Accordingly, the JPJ General Meeting is to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT. The notice convening the JPJ General Meeting at which the JPJ Shareholder Resolutions will be proposed is set out at the end of this document. The purpose of the JPJ General Meeting is to consider and, if thought fit, pass the JPJ Shareholder Resolutions, as set out in full in the notice convening the JPJ General Meeting.

The Acquisition is conditional upon, amongst other things, the passing by the requisite majority at the JPJ General Meeting of the JPJ Shareholder Resolutions, being:

- Resolution 1 which seeks approval of the Acquisition and is conditional upon the passing of resolution 2.
- Resolution 2 which seeks authority to allot and issue JPJ Shares to the Gamesys Shareholders up to an aggregate nominal value of £3,365,384.60 and is conditional upon the passing of resolution 1.

The full text of the JPJ Shareholder Resolutions is set out in the notice convening the JPJ General Meeting at the end of this document. Both of the JPJ Shareholder Resolutions will be proposed as ordinary resolutions and must be approved by JPJ Shareholders who, together, represent a simple majority of the JPJ Shares being voted (whether in person or by proxy) at the JPJ General Meeting. The Acquisition will not proceed unless each of the JPJ Shareholder Resolutions is passed.

The Acquisition will not be conditional upon any other resolutions which may be proposed at the JPJ General Meeting. The result of the JPJ General Meeting will be announced on JPJ's website and through a Regulatory Information Service.

As noted below in paragraph 16 (*Recommendation and Voting Intention*), the JPJ Directors and HG Vora, in respect of all of their holdings of JPJ Shares, and certain other JPJ Shareholders, representing in aggregate 14 per cent. of the JPJ Shares in issue at the Latest Practicable Date, have irrevocably undertaken to vote in favour of the JPJ Shareholder Resolutions at the JPJ General Meeting.

12. ADMISSION, DEALINGS AND SETTLEMENT OF NEW JPJ SHARES

As the Acquisition is classified as a "reverse takeover" for the purposes of the Listing Rules, upon Completion the listing of the Existing JPJ Shares to the premium listing segment of the Official List will be cancelled. Prior to Completion, applications will be made to the FCA and the London Stock Exchange for the New JPJ Shares to be admitted and the Existing JPJ Shares to be re-admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective, and that dealings for normal settlement of the New JPJ Shares will commence, at 8.00 a.m. on the business day following the date of Completion.

The New JPJ Shares will be issued credited as fully paid and will rank pari passu in all respects with the Existing JPJ Shares, including the right to receive dividends and other distributions declared, made or paid on JPJ Shares by reference to a record date falling after Completion. The New JPJ Shares will be issued in registered form and will trade under the same ISIN number as the Existing JPJ Shares.

Fractions of New JPJ Shares will not be allotted or issued pursuant to the Acquisition.

13. FURTHER INFORMATION

JPJ Shareholders should consider fully the risk factors associated with the JPJ Group, the Target Business, the Enlarged Group, the JPJ Shares, the Acquisition and Admission. Your attention is drawn to the section of this document headed "*Risk Factors*" set out on pages 22 to 66. Your attention is also drawn to "*Part 11: Additional Information*" of this document. You should read all of the information contained in this document before deciding the action to take in respect of the JPJ General Meeting.

14. TAXATION

Your attention is drawn to "*Part 10: UK Taxation*" of this document, which is provided for guidance only and does not constitute tax advice. If you are in any doubt about your tax position, you should consult an appropriate professional adviser without delay.

15. ACTION TO BE TAKEN

JPJ Shareholders

If you are a JPJ Shareholder, you will find enclosed with this document a form of proxy for use in connection with the JPJ General Meeting or any adjournment thereof. Whether or not you intend to be present at the JPJ General Meeting, you are asked to complete and sign the form of proxy in accordance with the instructions printed on it and to return it to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE. JPJ Shareholders may also lodge their votes and appoint a proxy electronically by visiting the website www.investorcentre.co.uk/eproxy. All proxy appointments must be received as soon as possible but in any event by no later than 2 p.m. (London time) on 29 July 2019 or, if the meeting is adjourned, by not later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting.

If you hold your JPJ Shares in CREST, you may appoint a proxy by completing and transmitting an appropriate CREST message, properly authenticated in accordance with Euroclear's specifications and containing the information required for such instruction, as described in the CREST manual (a "**CREST Proxy Instruction**"), in accordance with the procedures set out in the CREST manual so that it is received by the Company's registrars, Computershare Investor Services PLC (Issuer's agent ID 3RA50) by no later than 2 p.m. (London time) on 29 July 2019 or, if the meeting is adjourned, by not later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting.

Completion and return of the form of proxy or transmission of a CREST Proxy Instruction will not preclude such JPJ Shareholders from attending and voting at the JPJ General Meeting should they so wish, in which case any votes of the proxy will be superseded.

Exchangeable Shareholders

If you are a holder of exchangeable shares ("**Exchangeable Shareholder**"), you are receiving this document from Computershare Trust Company of Canada (the "**Voting Trustee**") because you are entitled to instruct the Voting Trustee under the Voting and Exchange Trust Agreement as to the exercise of votes attaching to JPJ Shares held by JerseyCo at the JPJ General Meeting. You will find enclosed with this document a voting instruction form that permits you to provide your voting instructions to the Voting Trustee. Please complete and return this voting instruction form and mail or deliver it to the Voting Trustee at 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada, Attn Proxy Dept., or use the envelope as provided. You may also vote by telephone or over the internet by following the instructions on your voting information form. All voting instruction forms must be received by the Voting Trustee (or votes cast by telephone or over the internet) by no later than 25 July 2019 at 5 p.m. (Eastern time). Exchangeable Shareholders are cautioned that if an Exchangeable Shareholder does not provide instructions to the Voting Trustee with respect to the exercise of the voting rights to which such Exchangeable Shareholder is entitled by following the instructions provided in the notice convening the JPJ General Meeting at the end of this document and in the voting instruction form (including with respect to the time for providing such voting instructions), the Voting and Exchange Trust Agreement provides that the Voting Trustee shall not be permitted to exercise or permit the exercise of the relevant voting rights. For additional information with respect to how to provide your voting instructions to the Voting Trustee, please see the notice convening the JPJ General Meeting at the end of this document.

16. RECOMMENDATION AND VOTING INTENTION

The JPJ Board considers the terms of the Acquisition and the JPJ Shareholder Resolutions to be in the best interests of JPJ Group and the JPJ Shareholders as a whole. Accordingly, the JPJ Board recommends that JPJ Shareholders vote in favour of the JPJ Shareholder Resolutions to be put to the JPJ General Meeting, as each JPJ Director has irrevocably undertaken to do (or seeks to procure to be done) in respect of his or her own beneficial holdings of JPJ Shares. The JPJ Directors and HG Vora, in respect of all of their holdings of JPJ Shares, and certain other JPJ Shareholders, representing in aggregate 14 per cent. of the JPJ Shares in issue at the Latest Practicable Date, have irrevocably undertaken to vote in favour of the JPJ Shareholder Resolutions at the JPJ General Meeting.

Yours faithfully,

Neil Goulden
Executive Chairman
JPJ Group plc

PART 2: INFORMATION ON THE JPJ GROUP

1. INTRODUCTION

The Company is the parent company of an online gaming group that provides gaming and entertainment to a global consumer base through its subsidiaries. The Company currently offers online bingo and casino games to its customers through its subsidiaries using the Jackpotjoy, InterCasino, Vera&John, Starspins and Botemania brands.

As the UK's leading online bingo-led operator, the Company's market position and diverse customer base (both geographically and demographically) positions the JPJ Group strongly against its competitors in addition to providing the JPJ Group with significant opportunities to deliver further growth. For the year ended 31 December 2018, the Company had 259,664 Average Active Customers per Month, compared to 250,321 in the 12 months to 31 December 2017.

The JPJ Group offers a differentiated customer experience across its strong portfolio of online gaming brands. The Company consolidates its operations into two core segments:

(i) the Jackpotjoy Business (consisting of real money online bingo and online casino products operating the brands of Jackpotjoy, Starspins and Botemania); and

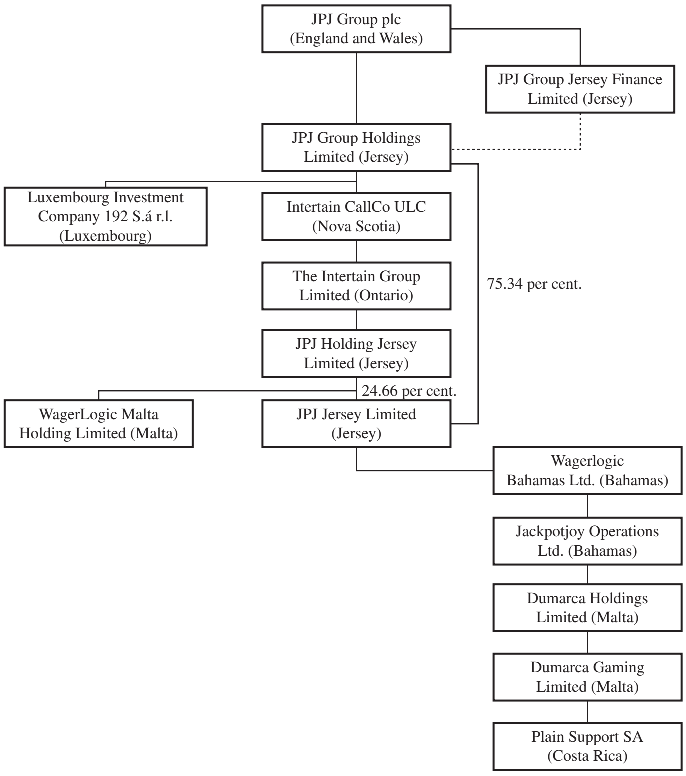
(ii) the Vera&John Business (consisting of real money online casino products operating the brands of Vera&John and InterCasino).

The Jackpotjoy Business operates through proprietary software and licences owned by the Gamesys Group, the Company's B2B software, technology and support provider. The Vera&John and InterCasino brands in the Vera&John Business operate through proprietary software and licences owned by the JPJ Group.

The JPJ Group's principal revenue comes from the Jackpotjoy Business, which for the year ended 31 December 2018, generated total revenues of £216.0 million, equivalent to 68 per cent. of total JPJ Group revenues, whilst the Vera&John Business generated total revenues of £103.6 million, equivalent to 32 per cent. of total JPJ Group revenues.

In 2018, 57 per cent. of the JPJ Group's revenues were derived from the UK (as compared to 64 per cent. in 2017) and the Nordic region accounted for 11 per cent. of revenue in 2018 (as compared to 14 per cent. in 2017). Only 17 per cent. of revenue in 2018 was earned from customers outside of Europe (as compared to 12 per cent. in 2017). Currently, the JPJ Group's international operations are licensed or operate through the licences of third-party service providers in Malta, Gibraltar, the UK, Spain and Sweden. Malta and Gibraltar are well-established online gaming jurisdictions, with comprehensive online gaming regulatory frameworks and policies in place. As a result, Malta and Gibraltar license and host many of the industry's largest operators.

The organisational chart below illustrates the inter-company structure of the JPJ Group. All subsidiaries of the Company are wholly owned, directly or indirectly, by the Company.



2. **HISTORY OF JPJ**

The Company is the holding company of the JPJ Group and was originally founded as Intertain.

Intertain was incorporated in Ontario, Canada, pursuant to the provisions of the Business Corporations Act (Ontario) (the "**OBCA**"), on 26 November 2010 as Aumento Capital II Corporation. Intertain (then, Aumento Capital II Corporation) completed its initial public offering of 2,605,000 common shares as a capital pool company (i.e. a special purpose acquisition company) on the TSX Venture Exchange on 6 October 2011, with the common shares listed and posted for trading on 12 October 2011 under the trading symbol "AQT.P". On 10 February 2014, Intertain changed its name to "The Intertain Group Limited". On 18 February 2014, Intertain's outstanding common shares were listed and posted for trading on the TSX under the trading symbol "IT".

As described in more detail below, Intertain completed its first acquisition in February 2014 through the InterCasino acquisition and thereafter acquired a number of businesses.

2017 was a transformational year, with JPJ Group plc (then "Jackpotjoy plc") becoming the parent company of Intertain in January 2017, following a reorganisation transaction involving a share-for-share exchange of former Intertain shares for JPJ Shares or exchangeable shares issued by Intertain (the "**Exchangeable Shares**"), which were listed on the Toronto Stock Exchange ("**TSX**") under the ticker symbol "ITX".

In January 2017, the JPJ Group moved its listing from Canada to the UK, listing as Jackpotjoy plc with its ordinary shares admitted to the Standard Listing segment of the Official List of the FCA and to trading on the Main Market. The Jackpotjoy plc ordinary shares commenced trading on 25 January 2017 under the ticker symbol "JPJ".

In June 2018, Jackpotjoy plc announced it would change its name to JPJ Group plc and also seek to transfer its listing category from the standard listing to the premium listing segment on the Official List of the FCA, with the latter completing on 26 July 2018.

Following the FTSE Quarterly Review 2018, the Company became part of the FTSE UK Index Series becoming a constituent member of the FTSE All Share and SmallCap indices, with effect from 24 September 2018.

In February 2019, the Company was awarded "Online Bingo Operator of the Year" for the second year running at the Global Gaming Awards 2019 in London, with JPJ recognised as the online bingo operator with the best product offering and most vibrant playing community, chosen from a strong short-list of well-respected bingo brands.

2.1 **Acquisitions and disposals**

The main acquisitions and disposals to date of the JPJ Group are as follows:

(a) ***InterCasino acquisition***

On 11 February 2014, the JPJ Group completed its "qualifying transaction" (being the first acquisition by the capital pool company) with the acquisition of Goldstar Acquisitionco Inc. (a company duly organised and existing under the laws of Ontario) to form Intertain Holdings and the InterCasino acquisition, whereby the JPJ Group acquired the entire issued share capital of WagerLogic which indirectly held the InterCasino brand, amongst others, from a subsidiary of Amaya Inc. (a company duly organised and existing under the laws of Québec) for an initial purchase price of CAD 70.0 million (less working capital adjustments). The JPJ Group incurred CAD 0.3 million and CAD 1.7 million, respectively, in acquisition costs related to the InterCasino acquisition in the years ended 31 December 2013 and 31 December 2014, including consulting advisory fees.

(b) ***Vera&John acquisition***

On 23 December 2014, the JPJ Group acquired the entire issued share capital of Dumarca, which indirectly held the Vera&John brand, amongst others. As consideration, the JPJ Group made an initial payment of €44.5 million in cash (exclusive of working capital adjustments) and issued an aggregate of 5,024,869 Intertain shares. In addition, the JPJ Group paid further cash consideration of €8.1 million in June 2016 pursuant to an earn-out. In addition to the purchase price, a finder's fee of 1 per cent. of the initial payment and a finder's fee of 1 per cent. of the Vera&John earn-out were paid by the JPJ Group. The JPJ Group incurred CAD 6.6 million and CAD 1.4 million in acquisition costs (including management compensation and finder's fees) related to the Vera&John acquisition in the years ended 31 December 2014 and 31 December 2015.

(c) ***Jackpotjoy acquisition***

On 8 April 2015, the JPJ Group completed the acquisition of the entire issued share capital of Fifty States Limited ("**Fifty States**"), a wholly owned subsidiary of Gamesys Limited (the "**Jackpotjoy Acquisition**"), pursuant to which it acquired the Jackpotjoy, Starspins and Botemania brands, together with associated rights in or ownership of player data related to such brands, trademarks, domain names and certain other related intellectual property rights (the "**Jackpotjoy Brands**"), under the terms of a definitive share purchase agreement dated 5 February 2015 between Gamesys and Intertain, as amended pursuant to deeds of amendment on 5 September 2016 (the "**Jackpotjoy Amending Agreements**") (the "**Jackpotjoy SPA**").

Pursuant to the Jackpotjoy SPA, the JPJ Group paid an initial purchase price of £436.2 million, comprising a mixture of cash and Intertain shares. In addition, the JPJ Group was required to pay further cash consideration based on the financial performance of the Jackpotjoy Brands, together with the services provided by Gamesys and Gamesys Gibraltar under the Operating Agreement in various periods during the five year period following completion of the Jackpotjoy Acquisition (the "**Jackpotjoy Earn-out Payments**"). All Jackpotjoy Earn-out Payments have now been met, save for additional earn-outs comprising performance-based milestone payments with the final such payment falling due in mid-2020 (which shall only be payable if Completion does not occur). These milestone payments are of a maximum of £5.0 million each should the Jackpotjoy Brands attain certain EBIT targets for the 12 months ending March 2019 and March 2020. The second of these £5.0 million milestone payments was revalued to £nil in JPJ's Annual Report and Accounts 2018, primarily reflecting the impact of increased gaming duty in the UK. It has been agreed that the first of these £5.0 million milestone payments shall be paid at, and conditional upon, Completion.

(d) ***Social gaming disposal***

On 3 September 2018, the JPJ Group completed the disposal for cash consideration of £18.0 million of its non-core social gaming business to Bagelcode Co. Ltd, a South Korea-based gaming company, pursuant to a share purchase agreement dated August 2018, following a decision by the JPJ Board that social gaming was not a core focus for the JPJ Group.

(e) ***Mandalay Media acquisition and subsequent disposal***

On 14 July 2014, the JPJ Group acquired the entire issued share capital of Mandalay Media for an initial payment of £45.0 million in cash, subject to certain net cash and working capital adjustments and additional earn-out payments. The JPJ Group incurred CAD 7.8 million in acquisition-related costs (including management compensation, consulting advisory fees and finder's fees) related to the Mandalay Media acquisition in the year ended 31 December 2014.

On 12 March 2019, the Company completed the sale of its Mandalay operating business to a subsidiary of 888 Holdings plc, for total cash consideration of £18 million, comprising £12 million paid to the JPJ Group on completion with the remaining £6 million expected to be paid in September 2019.

(f) ***Target Business acquisition***

On 13 June 2019, the JPJ Group announced that it had reached agreement on the terms on which it is to acquire the Target Business, being the entirety of the business, assets and liabilities currently comprised within the Gamesys Group, save for the Residual Business. In order to effect the Acquisition, the Gamesys Group will carry out the Gamesys Group Reorganisation prior to Completion, as a result of which the Target Group will be carved out from the Gamesys Group and the ultimate holding company of the Target Group will be Target Group Holdco which will be owned by the Gamesys Shareholders.

The Consideration for the Acquisition comprises:

(i) £240 million payable in cash on Completion to the Gamesys Shareholders;

(ii) £10 million payable in cash to the Gamesys Shareholders 30 months after Completion; and

(iii) the issue of 33,653,846 JPJ Shares to the Gamesys Shareholders (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the JPJ Shares prior to Completion).

In addition, the upfront cash component of 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 and the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items to which members of the Target Group are entitled or may become entitled following Completion. Further details are provided in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

Under the terms of the Acquisition, Gamesys Shareholders will receive 33,653,846 JPJ Shares (subject to any adjustment as described above).

Following the Acquisition becoming effective, Gamesys Shareholders will hold approximately 31.1 per cent. of the shares in the Enlarged Group (in addition to approximately 5.2 per cent. of the Company's share capital already held by Gamesys Shareholders).

On the basis of the closing price of 732 pence per JPJ Share on the Latest Practicable Date, the issue of 33,653,846 JPJ shares to Gamesys Shareholders, together with the £250 million of Cash Consideration, equates to approximately £496 million of total consideration for the Acquisition (and on the basis of the 30-day volume weighted average price of 713 pence per JPJ Share over the period to 12 June 2019, being the last trading day prior to announcement of the Acquisition, equates to approximately £490 million of total consideration for the Acquisition).

For more information on the Target Business, see "*Part 3: Information on the Target Business*".

3. JPJ'S KEY STRENGTHS

The JPJ Directors believe that the JPJ Group's existing competitive strengths will be further leveraged to facilitate the successful implementation of its strategy within its chosen markets. The JPJ Group's key strengths include:

3.1 Superior customer retention

The JPJ Group's core brands have historically demonstrated significant rates of customer retention.

The JPJ Directors believe the JPJ Group has been able to achieve these high retention rates through a combination of the JPJ Group's diverse and engaging range of tailored content, strong customer relationship management and player engagement capabilities and its multi-brand strategy, which enables the JPJ Group to offer players a bespoke proposition which caters for different player demographics and styles of play, as well as providing the JPJ Group with cross-marketing opportunities to improve the ultimate value derived from players.

Further leveraging and growing the JPJ Group's superior customer retention rates remains core to the JPJ Group's strategy going forward.

3.2 **Operating in attractive, regulated markets**

For the year ended 31 December 2018, approximately 77 per cent. (£240 million) of the JPJ Group's total revenue was derived from regulated markets (markets with an established online gaming regulatory regime in place) compared to approximately 76 per cent. (£232 million) in the year ended 31 December 2017.

The JPJ Directors believe that generating a large proportion of the JPJ Group's revenue from regulated markets provides barriers to entry for competitors who are less well adapted to operating in regulated environments due to the increased costs of compliance.

The UK, which represented the JPJ Group's largest single region with approximately 57 per cent. of its revenue for the year ended 31 December 2018, has been regulated since the introduction of the "point-of-consumption" tax regime in December 2014. This tax on net gaming revenue makes it harder for new entrants to enter the market and generate sustainable returns.

3.3 **High volume of players**

The JPJ Group has a loyal and growing user base providing enhanced liquidity through a high volume of players. For example, during 2018, the number of active customers per month increased by 4 per cent., with 259,664 average active users per month as at 31 December 2018. This delivers higher returns on investment, greater visibility of revenues and higher operating margins for the JPJ Group. In turn, this leads to reinvestment in the business and creates barriers to entry for other operators.

3.4 **Attractive audience demographic**

Within the online gaming market, online bingo continues to be a largely female-oriented form of online entertainment and the JPJ Group is highly focused on this key demographic, which is less targeted by sports-led operators and more interested in the social aspects of online gaming.

The JPJ Directors believe that the JPJ Group's business model, which targets 35 to 50-year-old female players who are attracted to the communal nature of online bingo, is a successful contributor to its high liquidity, maintained market share and customer loyalty. This target demographic positions the JPJ Group uniquely among other large UK online gaming companies, which focus more on the male, online sports-betting and online casino demographic.

The average age of all players acquired by the Jackpotjoy Business in the year ended 31 December 2018 is 35.59 years, as compared to 35 years for the year ended 31 December 2017.

The following table sets forth the gender and age breakdown amongst Average Active Customers for a selection of the JPJ Group's principal brands for the year ended 31 December 2018.

	Gender		**Age**	
	Female	**Male**	**<35**	**=>35**
Jackpotjoy (UK)	71 per cent.	29 per cent.	37 per cent.	63 per cent.
Jackpotjoy (Sweden)	61 per cent.	39 per cent.	25 per cent.	75 per cent.
Starspins (UK)	61 per cent.	39 per cent.	41 per cent.	59 per cent.
Botemania (Spain)	42 per cent.	58 per cent.	48 per cent.	52 per cent.
Vera&John	28 per cent.	72 per cent.	58 per cent.	42 per cent.
InterCasino	29 per cent.	71 per cent.	56 per cent.	44 per cent.

3.5 **Multi-platform offering**

The JPJ Group's multi-platform offering enables the Company to appeal to a diverse age range and to benefit from the continued penetration of mobile (phone and tablet) within the regions in which the JPJ Group operates. During Q4 2018, revenue share by device for the Jackpotjoy brand was 26 per cent. by desktop and 74 per cent. by mobile (as compared with 34 per cent. desktop and 66 by mobile in Q4 2017). As well as continuing to address the mobile opportunity in the UK, the JPJ Group continues to invest in further developments and platform enhancements.

By utilising both third-party technology providers and the JPJ Group's own proprietary platform, the JPJ Group is able to offer differentiated and tailored customer experiences across its brand portfolio. This differentiated and multi-platform approach provides a diverse range of online gaming experiences and suits the differing needs of customers.

3.6 **Strong financial profile**

The JPJ Group is well-capitalised and has demonstrated a strong track record of cash generation, with operating cash flow of £105.9 million for the year ended 31 December 2018. During the same period, the JPJ Group achieved annual revenues of £319.6 million (representing growth of 10 per cent. compared to 2017) and an adjusted EBITDA of £112.7 million (representing growth of 9 per cent. compared to 2017).

The JPJ Group's robust organic growth rates in each of its business segments have been underpinned by structural growth in the online gaming sector, particularly in the core market of the UK, and also by the introduction of new multi-platform products. These have included, for example, the introduction of online casino gaming as a complement to the JPJ Group's existing bingo offering to its Spanish customer base.

4. **JPJ'S STRATEGY**

The JPJ Group's strategy is based on the following three specific opportunities, with the overriding goal to deliver further growth and build on its leading position and loyal customer base:

4.1 **Customer first**

JPJ's long-term, sustainable business model is focused around putting the customer at the heart of the business and "knowing your customer" remains an organisational imperative. During 2018, the JPJ Group invested significantly in building a data architecture to better understand its customers and their behaviour. This has been combined with a thorough review of how the JPJ Group ensures best management of its customers, particularly with regard to any signs of problem gambling.

The JPJ Group has made the business accountable for responsible gaming rather than delegating it to a separate function and a responsible gaming or corporate social responsibility objective is part of every employee's bonus scheme. The JPJ Group recognises the importance of promoting a culture of responsible gaming to ensure that its customers can enjoy a recreational gaming experience without exposure to the risks of problem gambling. The JPJ Group further recognises that it has a duty to provide the right tools to its customers to both educate and protect them, whilst maintaining secure data and ensuring that its activities are marketed in a fair, transparent and responsible way.

4.2 **Geographic diversification**

The JPJ Group has historically been reliant on its core UK operations, with this market experiencing material fiscal and regulatory challenges during 2018, including the CMA requirements announced in February 2018 which required a fundamental change in the way JPJ acquires and retains customers in addition to ensuring appropriate implementation of the GDPR which required the JPJ Group to change the way it retains and reactivates customers. To mitigate risk and open up new opportunities for growth, a core focus of the JPJ Group's strategy has been greater geographic diversification. For example, the move to calculate RGD on gross gaming revenue rather than net gaming revenue represented a double digit million increase in JPJ's cost base, which was successfully mitigated through geographical diversification and business model adjustments.

The JPJ Group is already present in a broad spread of international markets, some more developed than others, with significant growth delivered in Germany, Japan, Finland, Spain and Brazil through the JPJ Group's Vera&John, Botemania and InterCasino brands during 2018, and also on the B2B provision. As regulation and licensing become more prevalent, the JPJ Directors expect to see significant further opportunities for growth.

4.3 Adding capability

The JPJ Group has added further capability in terms of product, platform and marketing, investing in above the line marketing during 2018 for Jackpotjoy in the UK, for Botemania in Spain and for Vera&John and InterCasino in Germany and Sweden. The JPJ Group has also established a marketing services company specialising in digital marketing and made significant investment in technology. Investment in the proprietary enJoy Platform has enabled JPJ to generate 32 per cent. of its revenue from its proprietary technology during the year ended 31 December 2018. The JPJ Group's investment has largely been focused around compliance, reducing technical debt, creating a modular architecture and integrating payment providers, to make the enJoy Platform suitable for delivering the JPJ Group's global ambitions of serving both regulated and unregulated markets with one platform.

JPJ also launched a content studio in 2017 to build in-house content, with the aim of enabling JPJ to further differentiate its content offering and increase its operating margins. In 2017, the Company also built a content aggregation business which has enabled the JPJ Group to serve content to operators worldwide.

5. OVERVIEW OF JPJ

5.1 Principal Activities

The JPJ Group offers bingo, slots, casino games and other gaming-focused entertainment to a global customer base. The Jackpotjoy Business focuses on real money online bingo-led entertainment and the Vera&John Business focuses on real money online casino entertainment, also in part through its InterCasino brand.

In the JPJ Group's real money offerings, players bet real money and realise real money wins and losses. There is also often a social media component to the game, such as chat functions, awards, leader boards and competitions. In the year ended 31 December 2018, the JPJ Group had approximately 260,000 Average Active Customers per month across all sites, as compared to approximately 250,000 for the year ended 31 December 2017.

Online Bingo

By revenue, the JPJ Group is the largest UK bingo-led operator and a leading worldwide online bingo provider (with a UK market share by revenue in excess of 20 per cent. in 2017 according to Regulus Partners estimates). In the year ended 31 December 2018, approximately 59 per cent. of the JPJ Group's revenue was derived from bingo-led operations, including slots (see below). The JPJ Group offers real money bingo-led online gambling through several brands in the UK, including Jackpotjoy. The JPJ Group also operates real money bingo-led online gambling in Sweden and Spain through the Jackpotjoy and Botemania brands, respectively. Jackpotjoy (Sweden) was launched in 2012 and Botemania was launched in Spain in 2007 and enjoyed an 18 per cent. market share in the fourth quarter of 2018 in terms of bingo wager amount.

The JPJ Group's bingo-led sites give customers access to a variety of bingo games, chatroom features and a selection of side games, typically slots. Liquidity is shared across these games, but each has a unique theme. Increased traffic is generated via internal cross-sell and affiliates.

This shared liquidity generates significant economies of scale for the JPJ Group (e.g. site support, customer support and chat hosts) that drives profitability and supports reinvestment in the JPJ Group's bingo platforms.

Online Slots

The JPJ Group offers real money slots games in the UK, Sweden and Spain through both slots-only sites and bingo-led sites. Starspins was launched in the UK in 2013 as a slots-only gambling offering in order to capture more of the online pure-slots market. As at the year ended 31 December 2018, Starspins offered 241 distinct slot titles, with 63 new titles launched in 2018 alone, and the sharing of liquidity with other slots offerings in the JPJ Group has generated jackpots as high as £270,000. Starspins has been an innovator in the sector, launching unique customer propositions such as "community jackpots" where jackpots can be shared with fellow players.

Slots are also an important component of the JPJ Group's bingo-led games and are currently the most popular offering on Jackpotjoy in the UK and Sweden. By way of example, on the Jackpotjoy site the bingo "main room" games run in six-minute cycles with slot games available to players while they watch the bingo game progress.

Online Casino games

The JPJ Group offers real money casino games in the UK, Sweden, Spain and Asia through several brands, principally Vera&John and affiliate brands. Vera&John was launched in 2011 and now operates in over 10 countries, principally the Nordic and Far East markets which are making a material contribution to the JPJ Group. The JPJ Group also provides online casino games including jackpots, table games and instant games through InterCasino, which migrated to the Vera&John platform in April 2016. InterCasino is one of the first ever online casinos, having been established in 1996, and offers over 1486 casino games in three currencies and nine languages. The main game offerings on these sites include traditional casino games such as blackjack, roulette, craps, baccarat and slots games at a variety of stakes, which service casual to VIP players.

Content

The JPJ Group also launched a content studio to build its own in-house content and differentiate its offer and increase operating margins. The JPJ Group has been involved with the development of a number of games during the course of 2018, including 'Hawaiian Dreams' which has become the JPJ Group's no. 1 game in Asia.

In 2017, the JPJ Group also built a content aggregation business which has enabled the JPJ Group to serve content to operators worldwide.

New products and services

The JPJ Group works to develop new product offerings and gaming platforms across multiple devices, either directly in the case of the Vera&John Business or indirectly through its third-party platform partners, including the Gamesys Group.

5.2 Operating Segments

The JPJ Group's operations were historically divided into four operating segments: Jackpotjoy, Vera&John, Mandalay and InterCasino. Following the migration of InterCasino to the Vera&John Business in 2016 and the Mandalay Segment to the Jackpotjoy Business in 2018, the JPJ Group has consolidated into two segments: Jackpotjoy and Vera&John. On 12 March 2019, JPJ completed the sale of its Mandalay operating business to a subsidiary of 888 Holdings plc.

The following table sets forth the consolidated revenues and percentage of total consolidated revenue for each operating segment for the years ended 31 December 2018 and 31 December 2017.

	Year ended 31 December 2018		**Year ended 31 December 2017**	
	(£ thousands, except percentages)			
Jackpotjoy[(1)]	216,015	68 per cent.	216,091[(2)]	75 per cent.
Vera&John	103,573	32 per cent.	73,167	25 per cent.
Total (JPJ Group)	**319,588**	**100 per cent.**	**289,258**	**100 per cent.**

(1) Segmental revenues relating to the social gaming business, which was reclassified as a discontinued operation in the year ended 31 December 2018, have been excluded from the segmental analysis above for both years.

(2) Jackpotjoy Business results for the year ended 31 December 2017 have been restated to include the Mandalay Segment within the Jackpotjoy Business, rather that as a separate segment, for consistency with the year ended 31 December 2018.

Jackpotjoy Business

Jackpotjoy is a multi-award-winning bingo website. Previous awards include Online Bingo Operator of the Year, Bingo Site of the Year, Bingo Marketing Campaign of the Year, Innovation of the Year, Customer Service Operator of the Year and Best Game of the Year. Jackpotjoy Operations operates the Jackpotjoy Brands which comprise the Jackpotjoy, Starspins and Botemania brands, together with associated rights in, or ownership of, player data related to such brands, trademarks, domain names, goodwill and certain other related intellectual property rights. As part of a reorganisation carried out by Gamesys prior to completion of the Jackpotjoy Acquisition pursuant to which, among other things, the Jackpotjoy Brands were transferred to the Fifty States Group (the "**JPJ Reorganisation**") and prior to completion of the Jackpotjoy Acquisition, Fifty States entered into the Operating Agreement with Gamesys Gibraltar (as novated by Fifty States Gibraltar to Intertain Bahamas (now Jackpotjoy Operations) on 17 April 2015).

The real money offering of Jackpotjoy is currently operated by the following Gibraltarian subsidiaries of Gamesys Gibraltar: Profitable Play Limited ("**Profitable Play**") is the operator of Jackpotjoy (UK) and Starspins (UK); and Gamesys Spain is the operator of Botemania (Spain) pursuant to the terms of the Operating Agreement. See paragraph 16.14 (*Operating Agreement*) of "*Part 11: Additional Information*".

Despite regulatory challenges in 2018, including the CMA requirements announced in February 2018 and the implementation of the GDPR, the JPJ Group saw further robust performance from the Jackpotjoy brand in the UK, significantly growing both the number and revenue from first time depositors. JPJ also grew both customers and revenue for Jackpotjoy UK, with the exception of some high value customers.

The Jackpotjoy Brands are described in further detail below:

(a) *Real Money Bingo-led Brands*

(i) *Jackpotjoy (UK)*: Jackpotjoy (UK) was launched in early 2002 and, prior to the Jackpotjoy Acquisition, it represented the Gamesys Group's predominant real money gambling brand, comprising bingo, slots and casino offerings in the UK market. Jackpotjoy (UK) was the Gamesys Group's most mature and established brand with the JPJ Group bingo-led brands in the UK having a market share in excess of 20 per cent. in terms of bingo-led revenues in 2017. Jackpotjoy (UK) has hosted over £30.5 billion of wagering since 2009 and in the year ended 31 December 2018 it received approximately £610 million of deposits. As is not uncommon with a bingo-led offering, slots games are currently the most popular secondary offering on Jackpotjoy (UK) in terms of revenue.

(ii) *Jackpotjoy (Sweden)*: Jackpotjoy (Sweden) was launched in 2012 and offers bingo, slots and casino games in the Swedish market. Slots games are currently the most popular offering on Jackpotjoy (Sweden). Jackpotjoy (Sweden) faced a challenging backdrop in 2018 due to the increased competition in the market and revenue declined from 2017. The Jackpotjoy brand in Sweden was impacted by the business model disruptor of the "no account" casinos and unsustainable marketing investment from a large volume of operators seeking to establish positions ahead of regulation. To comply with the new licensing regime in Sweden, the JPJ Group has updated the platform to include a self-exclusion mechanism and cross-board gaming limits for Jackpotjoy (Sweden).

(iii) *Botemania (Spain)*: Botemania (Spain) was launched in March 2007 and provides bingo-led online gambling to the Spanish market. Botemania (Spain) currently offers a selection of 169 slots, bingo and casino games to the Spanish market. As a result of regulatory changes in Spain, online slots games were reintroduced in June 2015 upon the grant of a licence to Botemania (Spain) for the operation of slots games in Spain. Botemania (Spain) is a leading site in the Spanish bingo-led market segment, with a market share of approximately 17 per cent. in terms of bingo wager amount for the year ended 31 December 2018. In the year ended 31 December 2018, Botemania saw double digit revenue growth, increasing first time depositors and growth in active customers and revenues across every tier.

(b) *Real Money Slots-Only Brands*

Starspins (UK): Starspins (UK) is a leading slots-only gambling offering launched in 2013 for the UK market. Starspins (UK) was launched as a complement to the Jackpotjoy (UK) brand to capture more of the online pure-slots market. As at 31 December 2018, Starspins (UK) hosts 241 slots titles. Starspins has proven to be a stable business, generating double digit revenue growth for the year ended 31 December 2018.

(c) *Vera&John Business*

Dumarca, a wholly owned subsidiary of JPJ, operates the Vera&John Business which consists of various online casino businesses, including the Vera&John online gambling and social gaming brands (collectively referred to as "Vera&John", unless otherwise indicated). References to "Dumarca" also include the Vera&John Business, unless the context dictates otherwise.

Dumarca is a fully integrated global online casino operator that operates on its own proprietary platform. The Vera&John Business's products include, but are not limited to, Vera&John, which is Dumarca's core online gambling brand offering jackpots, slots, video slots, table games and instant games.

Dumarca operates in over 10 countries across Europe and Asia, with the bulk of its revenues being derived from Northern European countries, notably Sweden.

For the year ended 31 December 2018, diversification away from Vera&John's traditional Scandinavian base continued, with significant growth in Germany, Japan, the UK and Brazil.

The Vera&John Business also includes the InterCasino brand, which migrated to the proprietary enJoy platform owned by the JPJ Group (the "**enJoy Platform**") in the first half of 2016. InterCasino's main game offerings include traditional casino games such as blackjack, roulette, craps, baccarat and slots games at a variety of stakes, which service a range of clients from casual up to VIP players.

During 2017, the InterCasino brand was launched in the UK market using a combined television and offline media marketing approach. The JPJ Group also released a new version of the InterCasino site, focused on mobile customers. The InterCasino brand delivered growth in 2018 following increased investment in marketing expenditure in the second half of 2017 and during the first half of 2018. JPJ operates the InterCasino brand on its proprietary technology in a number of territories, predominantly the UK, Germany, Sweden and Japan.

Vera&John uses JPJ's own proprietary technology, the enJoy Platform, with the aim of adding speed and flexibility to market selection and entry. In addition to the B2C business offered on the JPJ Group's enJoy Platform with the Vera&John and InterCasino brands, the JPJ Group also provides B2B services to a number of customers serving the Scandinavian and Asian markets. In addition to supplying a B2B platform to a number of customers, the JPJ Group also launched a games aggregation business in 2018. This was initially designed to allow the JPJ Group to rollout its proprietary content and also to facilitate European content producers being able to access other territories. The JPJ Group now offers over 1,500 games to a number of customers through this channel.

5.3 Principal Markets

Real money gambling operations, online or otherwise, are typically subject to stringent regulations and accordingly, product offerings are typically limited to a particular national jurisdiction. European countries are the principal markets in which the JPJ Group actively markets its online offerings.

In the year ended 31 December 2018, the JPJ Group generated approximately 57 per cent. (£182 million) of its revenues in the UK, 8 per cent. of its revenues in Sweden (through Jackpotjoy (Sweden)), 10 per cent. of its revenues in Spain (through Botemania (Spain)) and a further 25 per cent. of its revenues in other jurisdictions.

5.4 Distribution Methods

(a) ***B2C Business Model***

The JPJ Group operates primarily in the B2C online gambling and social gaming markets. The products and services are distributed through the internet, which provides online operators with a number of potential advantages over traditional offline competitors, including global reach (with the ability for large numbers of customers to enjoy peer-to-peer and house banked gaming, specifically poker and traditional casino style slot and table games), additional mobility, 24/7/365 access, greater levels of player liquidity, enhanced innovation with engaging games, and a reduced cost base as a result of the elimination of overheads relating to land-based premises.

Online gambling is generally characterised by players using real money to play bingo, slots and casino games. Players bet real money and realise real money wins and losses.

(b) ***B2B Business Model***

Dumarca's B2B business model focuses on tailoring products and services to particular customer needs and service requirements. Typically, Dumarca will charge its B2B clients an initial set-up fee, followed by a minimum monthly retainer fee, and a share of revenue after the deduction of certain direct costs, such as content and payments.

5.5 **Operations**

(a) ***Jackpotjoy***

The principal assets owned by Jackpotjoy Operations with respect to the Jackpotjoy Business are the Jackpotjoy Brands. An additional element which is important for the operation of the Jackpotjoy Business is the Operating Agreement.

Operating Agreement

As a result of the Jackpotjoy Acquisition, the JPJ Group (at the time named "Intertain") acquired the Jackpotjoy Brands. In connection with the acquisition, Fifty States Gibraltar entered into the Operating Agreement on 24 March 2015 with Gamesys Gibraltar (as novated by Fifty States Gibraltar to Intertain Bahamas (now Jackpotjoy Operations) on 17 April 2015), pursuant to which Gamesys Gibraltar provides to the JPJ Group certain operational, financial, marketing, player services and support services for the real money gambling activities carried out by Gamesys Gibraltar and certain of its subsidiaries by exploiting certain of the assets comprised within the Jackpotjoy Brands.

Under the Operating Agreement, the Gamesys Group is responsible for developing and implementing new content for and changes to the Jackpotjoy Brands following approval of such content by the JPJ Group.

For a summary of the Operating Agreement and the amendments thereto, see paragraph 16.14 (*Operating Agreement*) of "*Part 11: Additional Information*".

(b) ***Vera&John***

Dumarca operates a number of online casino websites and is actively working to create online casinos that offer customers a differentiated online casino experience. Dumarca and Cryptologic Operations currently operate the Vera&John and InterCasino brands. The interface for the websites is user friendly and tailored to suit customers who play less often as well as more frequent players. The websites operate through a proprietary platform known as the enJoy Platform, which has been designed to allow for scalability for both high transaction volumes as well as the ability to host multiple sites/brands. Several third-party content and payment solution providers, hosted individually by each provider, are integrated into the platform. The hardware to host Dumarca's services is located in state-of-the-art hosting centres with redundant internet service providers to ensure minimum disruption in service as well as redundancy for disaster recovery.

5.6 Branding and marketing

(a) ***Branding***

The JPJ Directors believe that the creation and maintenance of the JPJ Group's brands is a key element of the JPJ Group's success. The JPJ Group's brands form a core aspect of its marketing strategy based upon the following:

- *differentiation*: in a competitive industry, strong branding is critical in differentiating the JPJ Group and its products from its competitors;
- *trust*: maintaining a recognisable brand builds trust, which is a key consideration affecting players' choice of an online gaming provider;
- *loyalty*: a brand that represents industry-leading products and services which in turn builds player loyalty and increases player spend; and
- *cross-selling*: a strong brand can be leveraged to maximise cross-selling opportunities between existing and new product offerings, contribute to the success of new product launches and would enable the JPJ Group to enter into new markets and expand its product offering across new platforms (for example, mobile telephony and interactive television).

The JPJ Group's strategy for strengthening the awareness and reputation of its brands includes:

- enhancing its visibility and awareness of its brands with creative campaigns on a variety of media channels;
- repeated and consistent use of its brands in all forms of communication to existing players and potential new players; and
- association with public events such as sponsorship of celebrities.

The development of its brands and brand content is carried out in part by the JPJ Group and in part by its third-party partners, who have supported both the JPJ Group's core and growing brands.

(b) ***Marketing***

The JPJ Group's websites are consistently ranked among the most visited sites in the online gaming sector in many geographical markets, including the UK, Sweden and Spain. The JPJ Directors believe that effective marketing is important in building and maintaining the JPJ Group's business. In 2018, the JPJ Group invested in above-the-line marketing (i.e. mass marketing) for Jackpotjoy in the UK, for Botemania in Spain and for Vera&John and InterCasino in Germany and Sweden. The JPJ Group also established a marketing services company specialising in digital marketing and appointed both a Marketing Director with valuable industry experience and knowledge and Andria Vidler, a non-executive director with a wealth of executive digital and marketing experience.

The JPJ Group directly manages the marketing of the Vera&John Business, while the marketing for the Jackpotjoy Business is currently managed by the Gamesys Group. In addition to present marketing efforts in the UK, Sweden, Spain and several other European markets, the JPJ Group's management intends to continue to invest in its marketing to maximise player retention and acquire new customers.

In September 2017, the Company launched a TV campaign for Jackpotjoy with UK celebrity Paddy McGuinness, who replaced Barbara Windsor as the Jackpotjoy brand ambassador. The campaign was very successful and led to a marked increase in brand awareness and player numbers. In addition to present marketing efforts in the UK, Sweden, Spain and several other European markets, the JPJ Group intends to continue to invest in its marketing to maximise player retention and acquire new customers.

(c) ***Marketing channels***

The JPJ Group uses numerous online and offline marketing channels with the aim of creating and maintaining the critical mass of popularity that enables it to acquire new players and retain its existing ones. The JPJ Group's online marketing activities involve a combination of mass online advertising directed at the online public in general and the use of more specific marketing techniques that are directed at particular sections of the online public. Such activities include online advertising, search engine advertising and marketing through affiliates. The JPJ Group's offline marketing activities include mass media advertising, direct mail, sponsorships and public relations activities.

The JPJ Group is active in online and offline marketing in a variety of geographic markets, always taking into account any applicable legal restrictions and/or regulatory requirements. In particular, the JPJ Group uses TV advertising, sponsorship, paid listings on search engines, the placement of advertising space on portals and content sites and the placement of banners on various websites. The JPJ Group uses a dedicated team of experts for its marketing efforts and an in-house design team for internal and external content. The JPJ Group's business intelligence team actively analyses marketing campaigns in order to optimise the returns on marketing investment.

(d) ***Affiliates***

Affiliates are a key part of the JPJ Group's online marketing strategy. Affiliates are third-party marketing agents that direct internet users to the websites of service providers. Affiliates can operate either in online or offline environments. The JPJ Group has a marketing programme in which marketing affiliates are paid to recruit new players to the JPJ Group's brands, enabling the JPJ Group to extend its marketing reach and presence on a variable cost basis either through:

- a "cost per acquisition" scheme: a scheme under which affiliates receive a fixed fee when a new player deposits funds with one of the JPJ Group's brands; or

- a "revenue share" scheme: a scheme under which affiliates receive a commission based on the revenue generated by the players recruited.

6. COMPETITIVE ENVIRONMENT AND TRENDS

The market for online gaming is highly competitive, constantly evolving and subject to regulatory and rapid technological change.

The global online gambling market, in which the JPJ Group and the Gamesys Group operate, has an annual value of approximately £50 billion and delivered double digit growth in 2018, according to Regulus Partners estimates. The online gaming market represented approximately 50 per cent. of the overall online gambling market value according to Regulus Partners estimates, with online betting outperforming, in addition to online gaming growth in Asia and other emerging markets (due to mobile adoption and variance in win margins).

The level of growth in different markets is linked to their respective maturity profiles. In the UK, there are three maturity headwinds which have reduced overall online gaming growth. The first is underlying sector maturity: smartphone penetration is very high, consumer data costs are low and advertising has been broad, making consumer adoption rapid. Secondly, online gambling has delivered relatively rapid channel shift from land-based gambling. Finally, the UK has introduced a number of changes to its tax and responsible gambling regimes, which have especially impacted the high value accounts. However, the countervailing positives to the slowdown in growth can be seen as increasing sustainability through more active responsible gaming management. Going forward, the JPJ Directors believe there should be increased opportunities for larger brands to drive consolidation and gain market share. There are similar maturity considerations in Sweden, which is another main market for the JPJ Group.

In contrast, other markets in which the JPJ Group operates, such as Spain, are not providing the same challenges. Spain is a less mature jurisdiction, with lower smartphone usage and less channel shift. Moreover, the Spanish regulatory regime is currently relatively liberal, although a review is being carried out into gambling advertising which could lead to restrictions on gambling advertising or even a total ban on gambling advertising. The relative lack of maturity suggests strong double-digit market growth in the medium- to long-term according to Regulus Partners estimates. Additionally, the Far East markets are significantly less mature than the UK or Sweden and consequently, the JPJ Directors believe, should collectively exhibit strong growth in the medium to long term, albeit with varying degrees of regulatory risk and opportunity.

The JPJ Group competes internationally with other online gaming operators ranging from small regional operators, such as local governments, to large multi-national operators, with greater liquidity, carrying on business activities in several jurisdictions in which the JPJ Group conducts business. In terms of overall online gaming sites, most companies are privately held which makes it difficult to confirm the exact number of sites currently operating. As online gaming has matured and become more sophisticated, so have the expectations of players who can choose from a proliferation of sites. Competition for players' attention and money is intensifying, as players are demanding more value, more games, and an enhanced entertainment experience.

The JPJ Group faces significant competition in each of its market segments, including on the basis of platform quality, brand awareness and reputation, access to distribution channels and ability to expand and launch products in other markets. Other developers of online gambling and social gaming products could develop more compelling content that competes with the JPJ Group's abilities to attract and retain players. In addition, competitors in the online gambling industry may take advantage of social networks to grow. Online gambling and social gaming products also compete against other forms of entertainment, such as console gaming, going to the cinema, mobile entertainment and social networking, for the time and money of its players who choose to engage in such forms of entertainment.

The JPJ Group's most significant competitors include Sun Bingo, Gala Coral, Rank, Stride, Tombola, GVC, 888 and William Hill. In addition, niche competitors that specialise in specific segments, such as bookmaking or bingo operators, could compete for certain segments of target markets. Some of these competitors have greater financial resources than the JPJ Group and have a greater footprint in the online gaming industry, or are otherwise operating online gaming websites on behalf of governments or other government-sponsored lottery corporations.

In response to the prevailing trends in the online gambling market, the JPJ Group's business model has been adapted to meet the new challenges. JPJ Group's strategy is centred around three key tenets: customer focus, geographic diversification and adding capability across the JPJ Group. Knowing the customer remains an organisational imperative and, during 2018, the JPJ Group invested significantly in building data architecture in order to better understand customers and enable the JPJ Group to build long-term, sustainable relationships with customers to support revenue growth in the future.

The JPJ Group has also undertaken geographic diversification in response to its UK operations facing significant fiscal and regulatory challenges in 2018. To mitigate risk and open up new opportunities for growth, there has been an increased focus on the international markets, with these markets accounting for a bigger share of the JPJ Group's revenue than in previous years. The implementation of fiscal and regulatory measures in the UK initially had a negative impact on the JPJ Group's profitability, but the JPJ Group has adapted and changed its business model for the better in a number of areas. Despite the challenges, there was a robust performance in the flagship Jackpotjoy brand in the UK. The smaller brands proved more problematic and, following a strategic review, the decision was taken to dispose of its Mandalay business, the sale of which completed on 12 March 2019.

The JPJ Group has also focused on adding capability into the business in terms of people, product, platform and marketing. It has added high-quality individuals, invested in above the line marketing and established a marketing service company specialising in digital marketing. Significant investment is also being made in technology: investment in the proprietary enJoy Platform has enabled the JPJ Group to generate a significant proportion of its revenue from its proprietary technology. The enJoy Platform is now suitable for serving both regulated and unregulated markets with one platform. The JPJ Group also developed a product function to build its product roadmap and improve the quality of customer experience, along with developing in-house content in order to allow it to differentiate its offer and seek to increase operating margins. The development of a content aggregation business has also enabled the JPJ Group to serve content to operators worldwide.

Overall, the global online gambling industry is changing shape but continuing to deliver attractive growth. While more mature markets are showing signs of moderation, the JPJ Directors believe that increasing regulation should lead to greater sustainability, market share gains for leading brands and industry consolidation. In less mature markets online gambling is exhibiting much higher growth driven by broader consumer digital dynamics and rising smartphone adoption. The JPJ Directors believe the global online gambling market is therefore becoming a more balanced business environment characterised by sustainable growth in mature markets alongside regions exhibiting higher but less predictable growth. The JPJ Directors believe the JPJ Group is proven in both environments, providing access to both growth and sustainability.

7. REGULATION

The online gambling industry is highly regulated. Online gambling is generally authorised in limited circumstances under licence, with gaming authorities generating revenue from licence fees and taxation. Some jurisdictions prohibit gaming in all or certain forms. The JPJ Group does not market its gaming offerings in jurisdictions where there are prohibitions that clearly apply to its activities and the business models it has adopted.

The JPJ Group and its commercial partners, including the Gamesys Group, operate in a complex environment, with jurisdictions adopting inconsistent approaches to regulation. In keeping with the industry generally, the JPJ Group and its commercial partners have established their core operational presence within the licensing jurisdictions of Malta and Gibraltar, as detailed below. They will then derive revenue from players who are located in a variety of jurisdictions, having established first the extent to which such jurisdictions' laws and regulations apply and/or are enforceable, while also ensuring that their deriving such revenue is consistent with their ongoing compliance with the applicable laws in the licensing jurisdictions themselves.

While a number of European jurisdictions have enacted legislation that specifically criminalises the activity of an unlicensed online gambling operator and have done so through legislation that is no longer subject to any challenge through any subsequent due process (for example, such a challenge could be brought where a piece of legislation has been enacted in contravention of previously issued advice from the European Commission), not all jurisdictions approach the industry in this way.

In certain territories, the validity of certain legislation may be subject to potential future challenge (such as an aforementioned EU law challenge). Furthermore, there may be arguments that taking business from players located in a particular unregulated jurisdiction would not necessarily contravene local laws, for example, on the basis that laws have not been updated to embrace remote supply and/or may not operate in such a way to be applied extra-territorially.

Currently, the significant international operations undertaken by the JPJ Group are licensed, directly or through third parties, in Gibraltar, the Isle of Man, Malta, Spain, Sweden and the UK. Gibraltar, the Isle of Man and Malta are both key interactive gaming jurisdictions with comprehensive and mature interactive gaming policies and regulatory frameworks. As a result, Gibraltar, the Isle of Man and Malta host and license many of the industry's largest operators.

Pursuant to the Operating Agreement, the provision of services by the Gamesys Group to the JPJ Group in connection with the Jackpotjoy Brands is conducted under the gambling approvals held by Gamesys Gibraltar. Similarly, services are provided to the JPJ Group by the Gamesys Group under its UK and Spanish gaming licences.

Dumarca holds one Class I (B2C) licence in Malta in respect of the Vera&John and InterCasino operations.

The Gamesys Group operates through a Gibraltarian remote gambling casino licence (RGL No. 046), granted to Gamesys Gibraltar under the provisions of the Gibraltar Gambling Act 2005 (the "**Gibraltar Act**") which was originally obtained on 1 July 2010 and renewed on 24 March 2015 for a further five year term subject to annual renewal.

Each of the Gamesys Group, Dumarca and InterCasino derive revenue from the British market through licences issued by the GBGC.

The following table sets forth a summary of the jurisdictional licences held directly by the JPJ Group and the jurisdictional licences held by third-party entities that provide services to the JPJ Group as at the end of 2018.

	As at 31 December 2018
The JPJ Group	
Vera&John	Malta, UK, Sweden
Third-party partners	
Gamesys Group (with respect to the Jackpotjoy Brands)[1]	Gibraltar, UK, Spain

(1) Services provided to Jackpotjoy Operations by the Gamesys Group under its Gibraltar, UK and Spanish gaming licences.

Malta

On 1 August 2018, the Maltese Gaming Act (Chapter 583 of the Laws of Malta) (the "**Maltese Gaming Act**"), came into force. The Maltese Gaming Act, together with the regulations falling under it, repealed the Lotteries and Other Games Act 2001 (Chapter 438 of the Laws of Malta) and the Remote Gaming Regulations (Subsidiary Legislation 438.04). These changes had been previously announced by the Malta Gaming Authority ("**MGA**"), which is the agency that regulates all aspects of gaming in Malta. The Maltese Gaming Act was intended to address a number of matters which the gaming industry had been striving to achieve for a number of years.

With the Maltese Gaming Act the MGA has aimed at consolidating all rules regulating gambling in one body of law and has attempted to create a cohesive legal regime. The new legal structure is presented as subject-oriented (definitions, authorisations, taxes and contributions, player protection) rather than product or sector specific (land-based gaming, online gaming, online controlled skills games etc.) as was the case with the Lotteries and Other Games Act 2001 (Chapter 438 of the Laws of Malta). The provisions regulating any one type of activity are spread throughout the main Maltese Gaming Act and the newly enacted supplementary regulations. This new legal set-up covers all types of activities from land-based casinos to online sports betting, casino and skill games. The following is a list of the ensuing regulations and MGA Directives:

- Responsible Gaming Fund Regulations (Subsidiary Legislation 583.01)
- Gaming Licence Fees Regulations (Subsidiary Legislation 583.03)
- Gaming Definitions Regulations (Subsidiary Legislation 583.04)
- Gaming Authorisations Regulations (Subsidiary Legislation 583.05)
- Gaming Compliance and Enforcement Regulations (Subsidiary Legislation 583.06)
- Gaming Premises Regulations (Subsidiary Legislation 583.07)
- Gaming Player Protection Regulations (Subsidiary Legislation 583.08)
- Gaming Commercial Communications Regulations (Subsidiary Legislation 583.09)
- Gaming Compliance and Enforcement Regulations, 2018 (Legal Notice 244 of 2018)
- Gaming Tax Regulations (Subsidiary Legislation 583.10)
- Social Causes Fund Regulations, 2018 (Legal Notice 249 of 2018)
- Start-Up Undertakings Directive (Directive 1 of 2018)
- Player Protection Directive (Directive 2 of 2018)
- Gaming Authorisations and Compliance Directive (Directive 3 of 2018)
- Directive on the Calculation of Compliance Contribution (Directive 4 of 2018)
- Alternative Dispute Resolution (ADR) Directive (Directive 5 of 2018)
- National Lottery (Continuation of Concession and Licence Terms) Ruling (Directive 1 of 2019)
- Gaming Premises Directive (Directive 2 of 2019)
- De Minimis Games Directive (Directive 3 of 2019)

As under the previous legislation, any person who operates, promotes, sells, supplies or manages interactive gaming in or from Malta must obtain the appropriate licence from the MGA. Under the old legal structures, the MGA issued three different classes of Remote Gaming Licences:

- Class 2, a remote betting office licence;

- Class 3, a licence to promote and/or abet remote gaming from Malta; and
- Class 4, a licence to host and manage remote gaming operators, excluding the licensee.

This framework has now changed and the objective of the new laws was to simplify the previous set-up. The various classes of licences have in fact been revoked and replaced with a new arrangement which provides for just two types of licences, namely:

- a B2B licence, what is known as Gaming Services Licence; and
- a B2C licence, what is known as a Critical Supply Licence.

The aim of the MGA was to provide simpler processes such that while the B2C licence is still categorised in accordance with the game type provided (game types being very similar to the preceding concepts of Class 1, Class 2 and Class 3, for sports betting, casino and skill games), the new law eliminates the requirement of a fresh licence per class of games or game type. This means that a licensee with a B2C licence can add on different game products without the need to go through a full licence application procedure. Furthermore, the definition of what products fall within each game type is clearer than the old description of the classes of licences under the repealed Remote Gaming Regulations. Following the same reasoning, the previous Class 4 licence was replaced by a B2B licence.

As a result of the above described legislative revamp of the gaming regime in Malta, the JPJ Group subsidiaries, which hold licences issued and regulated by the MGA, had to adopt certain changes. The present licences have been amended to reflect the changes made to the legislative structures.

The legislative changes also introduced an amendment aimed at providing MGA licensees with long-term regulatory stability, this resulted in the duration of the licences being extended from 5 years to 10 years.

Under the new Maltese Gaming Act, gaming duty has been substituted by monthly compliance contributions which, separately to the licences' fees, are payable in Malta and calculated on the JPJ Group's revenue from online gaming offered through these gaming licences. The JPJ Group also pays applicable gaming duty or VAT in those jurisdictions on some or all of the online gaming offerings in those territories. Gaming tax of 5 per cent. on any revenue generated from Maltese players is also charged in addition to the monthly compliance contribution.

In accordance with EU law, the JPJ Group's Maltese gaming licences entitle the holders of such licences to provide online gaming services to other EU member states in compliance with established EU rules and principles on the free movement of services, unless those countries have their own national regulatory and licensing regime that is compatible with those same European Union rules and principles and in particular the core principles of the TFEU.

Gibraltar

The Gamesys Group operates through a Gibraltarian remote gambling casino licence (RGL No. 046) granted to Gamesys Gibraltar under the provisions of the Gibraltar Act which was originally obtained on 1 July 2010 and renewed on 24 March 2015 for a further five-year term subject to annual renewal. The renewed Gamesys casino licence was granted following the Jackpotjoy Acquisition and takes into account the post-acquisition arrangements.

The Gibraltar Gambling Commissioner exercises regulatory oversight of the industry and is required, under section 6(4) of the Gibraltar Act, to ensure that licence holders act in accordance with the provisions of the Gibraltar Act, the terms of their licence agreements (and the provisions of the schedules to such licence agreements) and in a manner which maintains the good reputation of Gibraltar.

With regard to remote gambling, the authorities will consider applications from reputable operators with proven experience in the provision of gambling services. The licensees' operations also need to be effectively controlled and managed from Gibraltar. In this regard, key personnel involved in an applicant's business need to be vetted and approved by the authorities. To determine whether such an individual or business is fit and proper, the Gibraltar Regulator will take into consideration (as provided for in Schedule 1, section 3(4) of the Gibraltar Act):

- the person's character, honesty and integrity;

- business reputation, current financial position and financial background;
- the business plan;
- experience in conducting gambling activities related to the application;
- the conduct under any similar licence granted in a comparable jurisdiction outside Gibraltar;
- the ownership structure of the business;
- technical infrastructure to conduct gambling activities applied for;
- the ability to maintain a minimum required reserve to ensure winnings/prizes are paid;
- the proposed control measures to ensure any website operated by the licence holder would not contain obscene or indecent content or links to such content;
- the proposed control measures in respect of compulsive gamblers and minors; and
- the proposed control measures and procedures to seek to identify money-laundering and other suspicious transactions.

The Gibraltar Act is currently being reviewed and is expected to be updated to provide a modern and all-encompassing regulatory framework. In particular, it is envisaged that a new class of licence for software content providers will be explicitly referred to in the revised legislation (some such businesses are already licensed in the jurisdiction under the current framework).

Great Britain

As of 1 November 2014, operators who know, or should know, that their facilities for gambling are being used by players located in Great Britain must be licensed by the GBGC in order to avoid committing an offence under the Gambling Act 2005 (as amended by the Gambling (Licensing and Advertising) Act 2014) (the "**GB Gambling Act**").

In carrying out its functions, the GBGC is under a statutory duty to pursue and have regard to the licensing objectives set out in the GB Gambling Act:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- ensuring that gambling is conducted in a fair and open way; and
- protecting children and other vulnerable people from being harmed or exploited by gambling.

The type of remote operating licence required depends on the type of gambling activity offered. A licence can cover more than one type of activity. Certain of JPJ's subsidiaries and its commercial partner (the Gamesys Group) hold the requisite remote bingo, remote casino (including poker) and gambling software operating licences.

In addition to the operator's remote operating licence, any individual responsible for a key management function (which includes overall strategy and delivery of gambling operations, financial planning, control and budgeting, marketing and commercial development, regulatory compliance and gambling-related IT provision and security) must apply for a personal management licence. The GBGC may identify other individuals within management who it will also require to hold a personal management licence.

Attached to licences are general licence conditions imposed by the GBGC under powers granted to it by the GB Gambling Act together with any licence conditions specific to operators or to a class of operator. Also attached to the licence are codes of practice which cover the manner in which facilities for gambling are provided. Together, the licence conditions and codes of practice are known as the Licence Conditions and Codes of Practice. They are written and administered by the GBGC. GBGC-licensed operators will also need to ensure that their software meets the technical requirements set out in the Remote Gambling and Software Technical Standards.

The implementation of the GDPR in May 2018 required changes to be made to the way that JPJ retained and reactivated customers. During the course of 2018, the JPJ Group reviewed and updated its data management policies and processes in order to achieve compliance with the regulation. The introduction of GDPR and opt-in marketing consents also limited the JPJ Group's ability to cross-sell customers to other brands. For further information on the impact of the GDPR on the JPJ Group's operations see "*Risk Factors: The JPJ Group's and the Target Business's activities are and, following Completion, the Enlarged Group's activities will be affected by the General Data Protection Regulation ("GDPR")*".

Spain

The Government of Spain issued Gamesys Spain PLC a licence under the provisions of State Act no. 13/2011 dated 27 May 2011 on the Regulation of Gambling Activities (the "**RGA**"). These licences were retained by the Gamesys Group following the Jackpotjoy Acquisition.

Under the Spanish legislation, gambling activities are regulated at two levels:

- gambling activities that are offered at a national level (i.e. the same gambling product may be accessed to or from any location within the Spanish territory) are regulated by the RGA; and

- gambling activities, the scope of which is limited just to the territory of a given region (i.e. traditional brick-and-mortar gambling activities) are regulated by the regulations set forth by the corresponding regional authorities.

Under this system, online gambling activities and national lotteries are usually governed by the RGA, while traditional gambling activities are regulated at a regional level.

Article 9 of the RGA states that operators offering their gambling activities in Spain shall be required to obtain the licences defined by law in order to operate this type of activity. From a Spanish regulatory perspective, "gambling" includes betting, poker, casino games and other games such as bingo or supplementary games. Under the same regime, an "operator" is an entity that has its revenue connected with the exploitation of gambling in Spain and the gambling activities offered to Spanish residents operated or commercialised by that entity.

Any licenced operator in Spain must hold two types of licence:

- A general licence that covers abstract and wide categories of games (namely, betting, contests and "other games" (i.e. all other games that may be offered under the Spanish regulations)) and is intended to ensure that the operator holding the licence is fully reliable. In this respect, any operator applying to obtain a general licence must provide evidence that such operator fulfils a number of legal, technical and financial requirements defined by law. General licences may only be applied for following a specific public call for tender by the Spanish authorities. Once a call for tender has been made, interested operators are allowed to file their respective applications within a given timeframe. To date only three calls for applications for general licences have taken place in Spain (in November/December 2011, November/December 2014 and December 2017/December 2018). In the absence of any such call for tender, general licences cannot be applied for and, in consequence, operators are not allowed to access the Spanish market or, if already present in the market, expand their offering to new abstract categories of games for which they do not hold general licences.

- A singular licence that covers each specific game to be offered by the operator. At present, under the "betting" general licences the following singular licences are available: (a) sport pool betting; (b) horseracing pool betting; (c) sport fixed-odds betting; (d) horseracing fixed-odds betting; (e) other fixed-odds betting, covering any other event that does not qualify as a sport or horseracing event such as social, political or entertainment events and/or other activities such as hound racing; (f) sport exchange betting; (g) horseracing exchange betting; and (h) other exchange betting. Under the "other games" general licences, operators may apply and operate the singular licences for the following games: (i) poker; (ii) roulette; (iii) blackjack; (iv) baccarat; (v) slot machine games; (vi) bingo; and (vii) supplementary games (e.g. traditional Spanish card games). Finally, under the "contests" general licence operators must obtain a singular licence covering just contests. Singular licences can be applied for at any time by an operator as long as the general licence covering such specific game is in force.

General licences have a 10-year term and are renewable (as long as the operator in question still fulfils the applicable requirements). Singular licences have different terms depending on the games they are related to: three years (in the case of blackjack, roulette, baccarat and horseracing fixed-odds betting), or five years (in the case of the rest of games). As in the case of general licences, singular licences are renewable.

Singular licences can be revoked by the Spanish authorities if the gaming activities covered by them have not been actually exploited during one year.

Licensed operators are required to provide a financial guarantee to cover their obligations derived from the provision of gambling. The guarantee must remain in force during the entire period of validity of an operator's general licence. Initially the financial guarantee to be filed is of €2.0 million per general licence, an amount that may vary in the following years depending on the actual turnover of the operator in Spain.

All licences are granted on a provisional basis, being conditional upon the operator filing complete technical certification reports confirming full compliance with the applicable regulatory and technical requirements within a maximum term of four months following the date of provisional grant. If, after reviewing the said reports, the Spanish gambling authority (*Dirección General de Ordenación del Juego*) confirms that the operator is in compliance with the requirements, the corresponding licence will be confirmed as definitive and remain in force for the relevant licence term. Licenced operators are required to offer their games in Spain through ".ES" domain names.

The operation in Spain of online gambling activities without the corresponding licences required by law constitutes a very severe breach of the RGA and may lead to very significant fines (which may amount to up to €50.0 million) as well as to other ancillary sanctions (for example being declared ineligible to make an application for a licence in Spain for a maximum term of four years or blocking of IP addresses or of payments related to the operation of unlicensed online gambling activities in Spain).

At present, Gamesys Spain holds a general licence in Spain for the operation of "other games", as well as singular licences related to bingo, slot machine games, blackjack and roulette.

Other Markets

All the gambling regulators that oversee the operations of the JPJ Group's subsidiaries have acknowledged that remote gambling operators are required to assess the applicability and enforceability of any laws and regulations that may impact their activities, including the laws and regulations in the jurisdictions from where the JPJ Group derives revenue and yet in which no gambling licences are held. The JPJ Group's subsidiaries have done so.

Sweden

The Swedish Gambling Act came into force on 1 January 2019, introducing a licensing regime applicable to all gambling for money provided in Sweden (including in relation to offshore gambling services offered via the internet to Swedish consumers). Private commercial entities are able to obtain licences to provide online casinos, online betting, online poker, land-based sports betting and land-based horse-race betting. On 14 December 2018, Dumarca was awarded a licence for commercial online gambling, effective 1 January 2019.

Canada

Gaming activities are regulated in Canada under the Criminal Code (the "**Canadian Criminal Code**") as well as various provincial statutes. Part VII of the Canadian Criminal Code addresses "Disorderly Houses, Gaming and Betting". Various sections within Part VII of the Canadian Criminal Code make the provision of all gambling activities illegal throughout Canada. Part VII also includes a small number of exemptions, the most important of which is Section 207. Section 207 of the Canadian Criminal Code permits a provincial government to "conduct and manage a lottery scheme" within its jurisdiction or in conjunction with other provincial governments. Through Section 207, provincial governments are permitted to provide all types of gambling services (both land-based and online) to their residents with the exception of betting on single events. Section 207(4) prohibits provincial governments from providing betting services with respect to "any race or fight, or on a single sport event or athletic contest."

On the basis of the exemption set out above, provincial governments in Canada have established lottery corporations to provide gambling services to their residents pursuant to special-purpose provincial gaming legislation. Lottery corporations often subcontract the operation of all of the gambling facilities to registered service suppliers in the private sector.

In Canada, various provincial lottery corporations, including the British Columbia Lottery Corporation, the Ontario Lottery and Gaming Commission, Loto-Québec and the Atlantic Lottery Corporation, have created authorised online gaming sites to provide online gambling services to their residents. They have also, in some cases, licensed other provinces to use their online gaming sites to provide online gaming to the residents of the licensee province. As with land-based gaming facilities, the lottery corporations look to private service providers to assist them in the operation of their online gaming operations. Companies may be registered in one or more provinces to provide online gambling services to the lottery corporations, and are therefore technically not engaged in online gaming in Canada; rather, the lottery corporations have subcontracted with such companies to provide services on behalf of the provincial governments to the public.

For a company to supply services to the lottery corporations, it must first apply for registration as a gaming service supplier with the gaming regulatory authority in the applicable province. For example, in Ontario, the regulator of all provincial gaming activities is the Alcohol and Gaming Commission of Ontario (the "**AGCO**"). The provincial gaming commissions work closely together and the regulatory regimes are broadly harmonised.

In Ontario, the AGCO requires that an applicant for registration provide full details of the applicant's corporate structure, including details concerning any shareholder that holds more than 10 per cent. of any type of security (not just voting shares or equity) in a company. Disclosure must go up to the level of individual shareholders in all cases, although exceptions are made if a company is broadly held and publicly traded. Every individual shareholder, director and officer of every company for which disclosure is made must submit to a full personal disclosure and security clearance. At the AGCO, this process is conducted by Ontario Provincial Police officers who are seconded to the AGCO for this purpose, and they are assisted by the Royal Canadian Mounted Police. Any individuals located outside of Canada must submit security clearances run by the security service in their country (e.g. in the United States, reports from Homeland Security and the Federal Bureau of Investigation are usually required). Individuals may be required to submit their income tax returns for previous years as well as information about any types of investigations, charges or disputes in which they have been involved throughout their lifetime. The AGCO also has the discretion to broaden its investigation to "persons of interest" who are not legally related in any manner to the applicant.

Once the applicant is registered, the nature and level of the reporting required will depend on the type of registration and the particular gaming commission. For example, the AGCO has moved away from a "command and control" regulatory approach to a standards-based regulatory model. This means that the focus in Ontario has shifted from requiring registrants to comply with a specific set of rules or processes to industry self-regulation with the onus on the registrants to ensure they are compliant. Other gaming commissions maintain the older command and control approach and so will require more administrative reporting. Nevertheless, the level of control over the flow of funds in all Canadian gaming operations is still overseen and tightly controlled by the applicable gaming regulator as are other mission critical components such as the software used in the games and, in particular, the random number generators.

Online gaming, given its nature, may be operated directly by a lottery corporation with the online gambling company licensing its software to the lottery corporation. For example, most lottery corporations already have payment systems in place on their websites and so would use those for online gaming rather than outsourcing such critical functions to their suppliers. There is therefore less oversight required of registered online gaming companies, given that their role is typically far more limited than that of a casino operator.

Intertain has provided the Ontario Securities Commission with an undertaking, which is applicable for so long as its securities are listed on the TSX (as is currently the case with the Exchangeable Shares), not to accept registrations or deposits for the online gaming operations of Intertain (or any of its subsidiaries) from individuals resident in Canada until such time as it has provided evidence reasonably satisfactory to the Ontario Securities Commission that it can do so in accordance with the laws of Canada and its provinces.

Other Regulatory Regimes and Future Developments

While certain European countries, such as Malta and Gibraltar, have adopted "point-of-supply" regimes which generally permit their licensees to accept wagers from any jurisdiction that does not expressly prohibit the supply of online gaming from outside such jurisdiction, other countries, including the UK, Italy, France and Spain, have implemented, or are in the process of implementing, "point-of-consumption" regimes which only permit the targeting of the domestic market, provided the appropriate local licence is obtained and local taxes accounted for (regardless of where the operator's assets, infrastructure and employees may be located). Such licensing regimes can apply onerous compliance requirements and/or introduce product restrictions or marketing restrictions that could have an adverse effect on the JPJ Group's operations (and correspondingly on its financial performance) were it to obtain and maintain such licences.

Other European territories continue to defend limited licensing regimes that protect monopoly providers and, in certain jurisdictions, have combined this with an attempt to prohibit or otherwise restrict all other supplies into the territory. Restrictive approaches to the regulation of internet gambling may yet be deemed to be in potential conflict (in any specific jurisdiction) with the TFEU treaty laws (governing the free movement of trade and services throughout the EU) and case law rendered by the ECJ.

A challenge to the validity of any EU jurisdiction's approach to gambling regulation would focus on restrictions on the freedoms of establishment or the freedom to provide services. Restrictions usually take one of a number of forms, including: (i) granting exclusive rights in certain, or all, gambling activities to one or a few providers; (ii) implementing a blanket exclusion of all gambling activities; (iii) prohibiting, on pain of criminal penalties, the pursuit of activities in the betting and gaming sector without a licence or police authorisation issued by the relevant member state (being any member state of the European Economic Area which has implemented the Prospectus Directive); (iv) limiting the number of licences available to conduct particular gambling activities; (v) limiting the duration of licences; (vi) unfair or discriminatory procedures for awarding licences; and/or (vii) requirement for local establishment.

A series of recent ECJ decisions have given EU member states wide latitude in regulating the online gambling market. However, a framework within which EU member states must operate has evolved through such jurisprudence and, once evidence of a restriction has been established, it is necessary to determine if such a restriction can be justified by the EU member state. As case law developed, the assessment as to whether a restriction on the European market freedoms is justified became divided into four criteria, which must be cumulatively met. Any restriction must be (i) non-discriminatory; (ii) for the public interest; (iii) suitable (such that it achieves the purposes for which the restriction is introduced); and (iv) necessary (i.e., does not go beyond the intended purposes).

As a result of various ECJ decisions over the past several years that clearly indicated a lack of recognition by various EU member states of their obligations flowing from the TFEU, as highlighted in the aforementioned jurisprudence, the European Commission's attempted to prompt the introduction of initiatives that would harmonise the regulation of online gambling within the EU, which is in line with the TFEU's stated objective of encouraging a free and open cross-border market. In early 2011, the European Commission's then Internal Market Commissioner, Michel Barnier, began an EU-wide consultation and review process to assess the possibility of harmonising the regulation of certain aspects of online gambling regulation. Harmonisation in the area of online gambling, however, has been met with substantial opposition in the past, and it is now considered highly unlikely that the harmonisation will occur (not least as the ECJ has also made it clear, within jurisprudence, that provided it enacts legislation that is in line with the four criteria stated in the paragraph immediately above, then it is not obliged to recognise any licences issued to a gambling operator in any other EU member state).

Contemporaneous with its efforts to harmonise European online gambling laws, the European Commission initiated infringement proceedings against various EU member states in relation to perceived breaches of Article 56 of the TFEU, including proceedings commenced against Sweden in late 2013, which culminated in October 2014 with a referral of Sweden to the ECJ for lack of compliance with EU law. On 7 December 2017, the European Commission formally announced its closure of all infringement proceedings and complaints in the gambling sector, citing that "*complaints in the gambling sector can be handled more efficiently by national courts also in light of the numerous judgments of the CJEU on national gambling legislation*". Certain EU member states (who no longer have infringement proceedings against their names) may feel somewhat emboldened by the European Commission's decision and, as a result, may seek to enforce or introduce regulatory regimes which are unfavourable to the JPJ Group or its commercial partners. However, since that withdrawal, the ECJ ruled, in March 2018, that Hungary's gambling legislation is non-compliant with its TFEU obligations, indicating that the ECJ will continue to apply EU freedom principles in this field. There remains uncertainty and an unpredictability around how

EU member states may approach the ongoing supply into their jurisdictions by operators based outside the jurisdiction. This uncertainty creates ongoing risk to the business of any operator.

Advertising

In many jurisdictions, there have been discussions had and decisions made with regards to the outreach of gambling advertisements to its inhabitants, with particular reference the exposure of young persons to such advertising.

In Italy, on 11 August 2018, the "Decreto Dignità" was converted into law, which operates to effectively ban the advertisement of gambling services. Gambling providers are now prohibited from carrying out any advertising in publications or on billboards within Italian territory. Moreover, from 1 January 2019, the ban was augmented to prevent advertising during games or sponsorship of sports or cultural events. All those who fail to comply will face enforcement action.

In Sweden, newly licensed operators are already facing enforcement by the Swedish regulator for failure to comply with advertising restrictions.

Similarly, gambling operators in Spain are facing stricter advertising rules similar to those applicable to tobacco products. While the extent of any potential new restrictions is unclear, there have been developments which suggest that gambling advertisements would be banned from airing during broadcast periods in which children were likely to be watching/listening, and no advertisements permitted at sporting events. In addition, the possibility of a total ban, as in Italy, cannot be ruled out.

GBGC Enforcement

In January 2018, the GBGC wrote to all online casino operators raising their concerns about licensees' approaches to anti-money laundering and social responsibility. The letter explained that, following recent compliance assessments, there was a clear need for remote casino operators to improve on their responsible gaming procedures. Over 17 investigations into remote operators were launched and it was declared that the GBGC "*are keeping under consideration whether it is necessary to commence a licence review of five operators under section 116 of the Gambling Act 2005 (the Act) with a view to exercising our regulatory powers under section 117 of the Act.*" A clear observation was made that, amongst others, many operators were breaching social responsibility code provision 3.4.1 of the Licence Conditions and Codes of Practice ("**LCCP**") which sets out clear procedures operators should have in place to protect children and other vulnerable people from being harmed or exploited by gambling. Over the past year, there has been an increase in the amount of public statements released by the GBGC with the majority covering, in some part, social responsibility issues identified within the particular operator. This has resulted in operators receiving large fines, some of which have totalled over £7,000,000.

Responsible Gaming

In December 2018, the GBGC opened a consultation on a new national strategy to reduce gambling harm and to propose amendments to the LCCP regarding the requirement for gambling businesses to contribute to research, prevention and treatment. As part of the consultation, the GBGC is seeking views on five proposed priority areas for action: (i) research to inform action; (ii) prevention; (iii) treatment; (iv) evaluation; and (v) gambling businesses, over the life of the strategy. The proposed amendment to the LCCP covers the obligation for licensees to combat problem gambling under social responsibility code provision 3.1.1 by means of a financial contribution that will be made only to organisations approved by the GBGC.

In addition, amendments to the LCCP came into force in October 2018 which included a variety of changes to new and existing social responsibility codes which further highlight the importance the GBGC places on responsible gaming. For example, LCCP code provision 5.1.6 was made a social responsibility code provision (elevating it from an ordinary code provision), meaning that if the GBGC rules that a piece of advertising is in breach of any regulations, then those responsible could be subject to the full range of the GBGC's regulatory powers.

Effective as of 7 May 2019, the GBGC amended the LCCP to introduce new requirements on remote betting and gaming operators in relation to age and identity verification. Under the new regime, a remote licensee must verify a player's age before allowing the player to: (i) deposit funds into an account; (ii) play any free-to-play games that the remote licensee may make available; or (iii) gamble with their own money or any bonus or free bet offered by the remote licensee. In addition, the new rules provide for enhanced identity verification requirements. A remote licensee must, at a minimum, verify the name, address and date of birth of players before allowing them to gamble, and must promptly ask the player for any additional verification required. A licensee must also inform players, before they deposit funds, of the types of identity documents or other information that may be required, the circumstances in which information might be required and how such information should be provided to the licensee. Remote licensees must take reasonable steps to ensure that information on their players' identities remains up to date.

8. JPJ'S CUSTOMERS

Average Active Customers per Month is a key performance indicator used by JPJ management to assess "real money" customer acquisition and "real money" customer retention efforts of each of the JPJ Group brands. Average Active Customers per Month grew to 259,664 in the year ended 31 December 2018, as compared to an Average Active Customers per Month of 250,321 for the year ended 31 December 2017, representing an increase of approximately 4 per cent. year-on-year.

9. OPERATING SECURITY POLICIES

9.1 Data management

The JPJ Group processes customer data and has numerous policies in place to ensure adherence to the highest standards of data security and data protection, to protect both the JPJ Group's information as well as that of its customers. In light of recent legislative changes, the JPJ Group reviewed its data protection regime to align to the GDPR. A GDPR readiness assessment was completed in 2017 and GDPR-related training was introduced.

Data access is managed through a wholly owned system called "Active Directory", which is a management system to control access to customer data. Strict access procedures and audit trail capability are in place. Data is cloud based and not locally stored and all data is controlled by the business at all times.

The JPJ Group uses collected player data to provide players with the services they have requested. The JPJ Group also uses player data to carry out identity and age verification checks on prospective players, for marketing purposes, to offer or send merchandising to players and to provide customer and transaction services. Player data is also shared with third-party partners and payment processors to ensure that players receive payment of winnings, and certain third-party processors where required to deliver prizes to such players. No player data obtained by the JPJ Group is sold to third parties. The JPJ Group uses cookie data to optimise the player experience when visiting the JPJ Group's platforms. Collected cookie data only consists of network protocols and IP addresses, personal computer operating platform information, screen resolution settings and language settings.

9.2 Information technology and security

(a) ***Jackpotjoy***

As the operator of the Jackpotjoy Brands, the Gamesys Group is responsible for maintaining the technological infrastructure, compliance and security processes and procedures for the Jackpotjoy Brands, subject to the governance arrangements in place pursuant to the Operating Agreement. Access control and access to all data is in line with the information security standard (ISO 27001:2015).

The Gamesys Group has implemented the following information technology and security measures for the real money gaming elements of the Jackpotjoy Business:

- a 24/7 network operations centre engaged in continuous monitoring of availability, performance and security;
- multiple firewall systems segregating the various security zones;
- host (file-integrity) and network-based intrusion detection systems;
- a distributed denial of service ("**DDoS**") protection system;

- a secure sockets layer ("**SSL**") based data transfer from customer to gaming site;
- secure storage of sensitive data using various forms of encryption and key management;
- annual information security training for the Gamesys Group's real money gaming operating companies and infrastructure management;
- physical security at all data centres with 24/7 manned hosting environments, intrusion detection, closed circuit television monitoring and authorised/logged entry;
- redundant systems covering equipment, service providers and sites, which together deliver a disaster recovery solution; and
- off-site online backup systems.

(b) ***Vera&John***

The Vera&John brands and the InterCasino brand operate through Dumarca's proprietary software.

Dumarca has implemented a multi-layered data security protocol, which includes physical security, the use of ISO 27001-compliant datacentre providers, and other network security measures. Where possible, Dumarca makes use of data encryption technologies, remote backups, access logs and system integrity monitoring. Dumarca's staff is trained to follow these procedures. Information technology and security policies are reviewed annually and in anticipation of, and in response to, significant events such as the opening of a new facility or a breach in security.

9.3 **Customer support**

The JPJ Group operates a global business where its customers require continual support. Within each division, customer support and chat teams are available 24 hours a day, seven days a week to ensure customers always have access to support.

9.4 **Payment processing**

The JPJ Group's payment processing system for the brands which it operates is in-house proprietary software and connected to external payment suppliers with the capability to supply global coverage. Through a combination of technologies, the JPJ Group is able to perform automatic risk assessments of customers on a transactional level, based on customer details, device used and behavioural patterns.

9.5 **Anti-fraud management, money-laundering procedures and risk management**

While the anti-money laundering ("**AML**"), anti-bribery, fraud detection and risk management processes of the Jackpotjoy Business are reliant on the Gamesys Group for monitoring and enforcement (save in respect of the Swedish market), the JPJ Group holds the ultimate responsibility for such processes for the Vera&John Business (and for the Jackpotjoy Business in respect of the Swedish market). For further information on the risks related to the effective maintenance of these processes and controls, see "*Risk Factors: The JPJ Group, the Target Business and, following Completion, the Enlarged Group, or certain third parties that they rely on, may fail to maintain effective and compliant anti-money laundering, responsible gambling, fraud detection, risk management and other regulatory policies and procedures*".

Jackpotjoy

Each of the Gamesys Group's real money gaming operating companies responsible for operating the Jackpotjoy Business have AML policies, procedures and controls which are designed to deter potential criminals from using Jackpotjoy for money-laundering. Such operating companies have implemented an AML policy which encompasses a collection of procedures, technologies and techniques to make a risk-based assessment of all players and financial transactions using the Gamesys Group's real money gaming services. In particular, such operating companies have developed a know-your-customer protocol which includes account registration procedures, age and identity verification, enhanced due diligence procedures for high-value activities, relevant record keeping requirements and various internal and third-party systems, controls and procedures to monitor and assess ongoing player activity. Regular AML training is provided to relevant employees and procedures are in place for reporting suspicious or confirmed fraudulent activity both internally, and to the relevant law enforcement authorities.

The Gamesys Group has a dedicated Money-Laundering Reporting Officer ("**MLRO**") and Fraud and Risk Management teams, whose responsibilities include assessing and implementing the Gamesys Group's real money gaming operating companies' policies, procedures and controls, as well as reporting to Gamesys Group senior management on the Jackpotjoy Business's compliance with applicable regulatory requirements (save in respect of the Swedish market). The MLRO ensures that all such operating companies regularly undertake risk assessments of players, products, employees, areas of operation and payment transaction methods. The MLRO also reviews such operating companies' susceptibility to different types of money-laundering, industry and product risks associated with the real money gaming elements of the Jackpotjoy Business, and develops and implements corresponding AML methodology and policies.

Under applicable gaming regulations, it is illegal for anyone under the age of 18 to gamble on any of the Jackpotjoy Business real money gaming websites. All real money gaming players are required to positively confirm upon registration that they are over the age of 18. The Gamesys Group real money gaming operating companies' age verification policies use both automated and manual methods to verify a player's age and identity. In accordance with applicable regulatory requirements, such operating companies suspend all Irish, Isle of Man, Channel Islands and Swedish players who fail to verify their age within 72 hours (at registration in the case of Sweden) of their first attempted deposit. Players using the real money gaming services in Spain must be successfully age-verified before they are permitted to play real money gaming games. Additionally, in the UK, the Jackpotjoy Business complies with new age and identity regulations which came into force in May 2019 ensuring only successfully verified players are permitted to deposit and play real money games.

Vera&John

Dumarca has implemented a risk-based approach to AML and fraud risk assessment, and maintains policies and procedures designed to comply with the UK Proceeds of Crime Act 2002, the Money-Laundering Regulations 2007, the GBGC's January 2019 guidance for remote and non-remote casinos and the GBGC's Licence Conditions and Codes of Practice (LCCP). Dumarca's Group Head of Operational Compliance acts as the MLRO under relevant AML regulations and provides both oversight of Dumarca's risk management process and accountability to senior management for Dumarca's compliance in this area. Dumarca also maintains a comprehensive monitoring and reporting system through which it is able to monitor customer activity and assess the effectiveness of its risk management policies. A central feature of Dumarca's AML and risk management process is the implementation of comprehensive "know-your-customer" controls, which include customer identification (including use of third-party identity validation services and screening), monitoring of suspicious customer activity, manual vetting of first-time withdrawals by trained fraud staff and the exclusion of customers residing in jurisdictions identified by the intergovernmental Financial Action Task Force as non-cooperative. Dumarca provides all relevant employees with appropriate training in the areas of AML and risk management, and the MLRO ensures that all new employees undertake training within the first week of their employment. Ongoing training occurs biannually on a recurring basis. Dumarca has also implemented an enhanced due diligence process facilitated by specially trained staff to scrutinise customers, transactions or activity that, amongst other things, has been identified as suspicious. Where Dumarca is unable to satisfy itself of a customer's identity or legitimacy through its due diligence processes, Dumarca will not do business with such customer.

Restricted markets

The JPJ Group and third-party partners follow certain restricted territories guidance and procedures relating to the restriction of geographical territories from online gaming. These restrictions relate mainly to corporate risk, jurisdictional regulation and licensed brand restrictions and are updated on a continuous basis. This is achieved by identifying the applicable legal and quasi-legal requirements, assessing the current state of compliance, assessing the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and prioritising, funding and initiating any corrective actions deemed necessary. Corrective actions typically include the blocking of a particular territory, engaging with regulators, applying for relevant licences or monitoring a jurisdiction in flux.

If a decision is taken to block a country because that country is deemed, for example, to be a restricted, regulated or high-risk territory, this action is taken by removing the country from the registration drop down menu and possibly implementing one or more of the following:

- if required, informing all patrons that business from the blocked country is no longer accepted;

- removing the restricted country from newsletter/marketing material;
- blacklisting signup registrations via globally unique identifier (GUiD), or IP address;
- restricting real money game play via globally unique identifier (GUiD), or IP address; and
- blacklisting deposits deriving from the restricted territory.

In order to ensure that registrations, deposits and game play emanating from these jurisdictions are restricted, IP address geo-location methods are used. Payment methods are also reviewed to ensure compliance with the imposed restrictions.

Various other "know-your-customer" due diligence procedures are followed for all new accounts to ensure that only players from authorised locations can access the web application, such as requiring copies of identification documents to verify the identity and address of an end user. The JPJ Group has policies and procedures in place to ensure that registrations or deposits for the online gaming operations of the JPJ Group are not accepted from individuals resident in Canada or the United States.

The procedures and technology described above are: (i) provided to Jackpotjoy Operations by Gamesys Gibraltar pursuant to the Operating Agreement; and (ii) operated and monitored by in-house built technology offered by Dumarca Gaming Limited.

9.6 Management information systems

The JPJ Group records data on several reporting systems, including the gaming system and the cashier system. The gaming system captures all operational information, including customer sign-ups, active players, rake, customer bonuses and prize pool contributions. The cashier system records all cash-based transactions such as customer pay-ins, withdrawals and chargebacks.

Daily and weekly key performance indicator ("**KPI**") reports are reviewed by members of the senior management team in addition to detailed monthly management accounts, which are circulated and reviewed by the JPJ Board. In addition, each departmental head regularly monitors specific detailed operational KPIs. These reports allow the JPJ Group's management to monitor the performance of the business versus budgeted expectations and allow early recognition of developing trends within its operations and markets.

The JPJ Group uses standard accounting software for its general accounting function and for the production of financial statements.

9.7 Responsible gaming

The JPJ Group seeks to provide, and ensure that its third-party partners provide, a safe, responsible and trusted online gaming environment through compliance with industry best practice. The JPJ Group takes responsible gaming seriously and has a compliance department to prepare and maintain ethical and social policies for the JPJ Group.

Advertising

The JPJ Group has procedures and strict controls in place to help ensure that its advertising fully adheres to the Gambling Industry Code for Socially Responsible Advertising, which is governed and administered by the Committee of Advertising Practice in the UK and the Broadcast Committee of Advertising Practice, and ruled upon by the UK's Advertising Standards Authority. The JPJ Group's legal teams provide advice, guidance and final sign-off in respect of marketing and promotional activities to ensure compliance with all relevant advertising codes of practice. In particular, the JPJ Group seeks to ensure that advertisements: (i) are legal and not misleading; (ii) are socially responsible as described in the Committee of Advertising Practice and Broadcast Committee of Advertising Practice Codes; (iii) do not exploit children and other vulnerable persons in relation to gambling activity; (iv) are not specifically or intentionally targeted towards people under the age of 18; and (v) are only sent to those players who have opted in to receiving marketing communications.

Recent Developments

The JPJ Group was a primary sponsor of Responsible Gaming Week, a cross-industry initiative to promote responsible gaming in the UK and Ireland through a variety of channels, which took place in

November 2018. The JPJ Group assisted in the creation of communications materials and channels, including website pages and regular social media posts and sponsored the media panels which promoted Responsible Gaming Week on the London Underground. During the week, the JPJ Group's Head of Customer Operation, ran certified training sessions in which fellow operators were invited to participate, enabling the JPJ Group to share best practice across the industry and raise awareness of the risks associated with responsible gaming and how to respond when dealing with people in crisis.

In April 2018, the GBGC launched GamSTOP, an online self-exclusion scheme to enable people with gaming problems to ban themselves from online betting platforms. The JPJ Group is committed to this initiative and assisted with launching the programme by raising customer awareness through customer interactions and on its websites. The JPJ Group has also signed up to the scheme as an online operator to allow players to exclude themselves from its websites.

The JPJ Group also updated all divisional websites during the course of 2018, removing any graphics that would appeal to children, making its terms and conditions more readily accessible and adding a link to the responsible gaming page on all sites.

Policies

The JPJ Group has a policy limiting the amount of money that a player may deposit. These limits ensure that players do not spend uncontrolled amounts in a short period of time. The JPJ Group also has a proactive policy to detect problem gamers. The JPJ Group's player support representatives are trained to identify patterns and behaviours that indicate problem gaming and report such activity.

When a player is identified as a potential problem gambler, he/she will be contacted and his/her account placed under close review. On occasions, the player will be requested to agree to lower deposit limits and to confirm that he/she is comfortable with his/her level of play. The JPJ Group may close the account if the consumer fails to respond or upon JPJ's conclusion that the player is a problem gambler.

The JPJ Group has also implemented a self-exclusion policy, whereby a player may request to be blocked from further play. In such cases, the account will be blocked immediately and the player will not be able to reactivate such an account within the self-exclusion period.

The JPJ Group also participates in organisations such as the Remote Gaming Association which promotes probity and responsibility in the conduct of the gaming industry.

The JPJ Group recognises the importance of promoting a culture of responsible gaming and that it has a duty to encourage customers to play responsibly and to provide them with the necessary tools, guidance and self-help links to help them become more aware and in control of their gaming. Among other measures, these include: (i) account deposit limits which can be set daily, weekly or monthly; (ii) session reminders and time played triggers; (iii) account cool-off periods, helping players take an extended break from the JPJ Group's websites for a period of between 24 hours and six months; and (iv) full account history information, enabling players to view their deposit and withdrawal history.

To ensure all employees are aligned with the JPJ Group's responsible gaming initiatives, all new employees are subject to advanced training on key regulations and guidelines, responsible gaming processes, as well as player assessment screening and soft-skill tools. Additionally, all staff are subject to mandatory bi-yearly refresher training.

Partnerships

The JPJ Group has developed a strong working partnership with GamCare, the leading industry support and self-help charity, and has been accredited with its "certification" award. The GamCare certification is awarded to organisations that have successfully implemented the "GamCare Code of Conduct for Remote Platforms".

The JPJ Group also supports GambleAware and makes annual donations. GambleAware coordinates and funds research into the prevention of gambling-related harm in the UK.

10. JPJ'S MANAGEMENT AND EMPLOYEES

The average number of employees on a full-time equivalent basis for both the JPJ Group and JPJ are set out below:

	As at 31 December 2018	As at 31 December 2017	As at 31 December 2016
JPJ Group	281	218	153
JPJ	12	11	-
Total	**293**	**229**	**153**

In addition to the above, as at 31 December 2018, there were approximately 224 other employees and consultants who carry out functions relevant to the Jackpotjoy Business who are employed or engaged (as applicable) by the Gamesys Group. Such functions are outsourced under the Operating Agreement. Dumarca also makes use of consultants and contractors.

The JPJ Group is committed to creating, developing and maintaining strong employee relationships and engages with employees on an ongoing basis, for example, with an annual employee engagement survey, regular personal development reviews and training and development opportunities. The JPJ Group's Diversity and Inclusion Policy applies to all employees and has been communicated across the JPJ Group.

The JPJ Group's gender diversity performance is monitored at the JPJ Group level and, as at 31 December 2018, 39.75 per cent. of the global workforce and 24.24 per cent. of senior managers were women.

Further information on each of the Directors and other key members of the management team is set out in "*Part 4: Directors, Proposed Directors, Senior Managers and Corporate Governance*".

11. INTELLECTUAL PROPERTY

The JPJ Group protects its intellectual property in the area of its core business through a combination of trademarks, copyright, trade secret and contractual provisions. The JPJ Group holds a portfolio of over 95 trademarks relating primarily to its online gaming websites.

The copyright in certain Jackpotjoy Business-specific website content is held by Jackpotjoy Operations. The Gamesys Group owns key intangible assets in its software platform and games (including the copyright, trade secrets and other intangible rights in the software code and the proprietary platform used by the Gamesys Group to operate its websites and games).

Dumarca also owns proprietary software which is used for hosting its own B2C online gaming websites and which it also licenses to third parties in its B2B business. The source code for the software is protected through trade secrets. The JPJ Group recognises, however, that effective protection may not be available in some countries where it may offer its solutions.

Other intangible properties of the JPJ Group include gaming licences in Malta, Sweden and the UK, as well as domain names related to the various brand-related websites. The copyright, trademarks, domain names, trade secrets, proprietary technology and other intellectual property of the JPJ Group are important for its long-term success.

12. PROPERTY

As at the date of this document, the JPJ Group primarily operates from leased office premises in London (UK), Toronto (Canada), Sliema (Malta), Skovde (Sweden) and Nassau (The Bahamas). All of the JPJ Groups' leases are short term.

13. DIVIDEND POLICY

The JPJ Board remains committed to returning excess cash to shareholders, when it can do so on a progressive and sustainable basis. The JPJ Group's debt facility allows the JPJ Group 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 the JPJ Group's share price remain, in its view, materially undervalued and at a discount to the peer group.

PART 3: INFORMATION ON THE TARGET BUSINESS

1. INTRODUCTION

Overview

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 pursuant to the Tropicana Licence Agreement (as further detailed below), in New Jersey, USA under the website and app 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.

Pursuant to the Operating Agreement, the Target Business also operates the Jackpotjoy, Starspins and Botemania websites and apps on behalf of the JPJ Group (the "**JPJ Branded Sites**"). Pursuant to this arrangement, 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 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 the JPJ Group pursuant to the Acquisition.

The Legacy Gamesys Non-Bingo Games Content, however, will be owned and made available by the Residual Content Business which is not being acquired by the JPJ Group pursuant to the Acquisition. As such, upon Completion, the Legacy Gamesys Non-Bingo Games Content will be made available to the JPJ Group (including the Target Business) on an arm's length basis pursuant to the terms of the Games Licence Agreements. For more information on the terms of the Games Licence Agreements, see paragraph 16.4 (*Games Licence Agreements*) of "*Part 11: Additional Information*".

Pursuant to the Tropicana Licence Agreement, the Target Business licenses certain elements of the Target Business Technology Platform and makes available certain elements of the Target Business Back Office for use by Tropicana to accept wagers from end users in New Jersey, USA on a website and app branded "Tropicana Atlantic City" (the "**Tropicana Site**"). The Tropicana Site is operated by Tropicana using software and services under the permit Tropicana holds with the New Jersey Division of Gaming Enforcement. Certain of the Legacy Gamesys Non-Bingo Games Content and the Target Business Bingo Games Content are made available on the Tropicana Site pursuant to the Tropicana Licence Agreement. 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 are used by Tropicana to operate such offerings under the permit Tropicana holds with the New Jersey Division of Gaming Enforcement. In this sense, the Target Business acts as a B2B service provider (rather than B2C) in respect of the "Virgin Casino" offering as well as the

Tropicana Site. From a commercial perspective, however, the Target Business's role differs between the two. Whereas the Target Business receives a marketing fee (based on a percentage of marketing spend) and licence fee (based on a revenue share) from Tropicana for the B2B services it provides under the Tropicana Licence Agreement, it is the Target Business that pays Tropicana a permit fee (based on a revenue share) in respect of the "Virgin Casino" offering, with the Target Business retaining the remainder of revenues. In this sense, therefore, the Target Business's role is more akin to that of a B2C operator. References in this document to the Target Business operating the "Virgin Casino" website and app, and providing services on a B2B basis in respect of the Tropicana Site, are made in this context.

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

Pursuant to the Managed Services Agreement (and the accompanying statement of work), the Target Business also provides customer support services and gaming finance services to SBTech for the benefit of Churchill Downs Interactive Gaming (with respect to its offer of its "BetAmerica" online betting and casino platform). The Target Business's New Jersey-based team provides such services, and has agreed to do so for a six-month period running from 1 February 2019 under the statement of work.

For the year ended 31 March 2018, those parts of the Gamesys Group which will represent the Target Business generated gaming revenues of £163.3 million. For the year ended 31 March 2018, 94 per cent. of the Target Business Branded Sites' gaming revenues were derived from the UK (£154.1 million) and 6 per cent. were derived from the rest of the world (£9.2 million). In addition, amounts totalling £108.9 million were recharged to the JPJ Group under the terms of the Operating Agreement and recognised as support services revenue by the Target Business.

Structure of the Acquisition

As at the date of this document, the Target Business is part of the Gamesys Group.

Pursuant to the Primary Sale Agreement, JPJ has agreed to acquire the entire issued share capital of Target Group Holdco, and the Gamesys Majority Shareholders have agreed to effect the Gamesys Group Reorganisation in order to separate the Target Group from the Gamesys Group by creating the Target Group as a stand-alone group of companies which will hold all of the business, assets and liabilities comprised within the Target Business.

Following completion of the Gamesys Group Reorganisation, the entire issued share capital of Target Group Holdco (which at such time will be the holding company of the Target Group and, therefore, the Target Business), will be owned by the Gamesys Shareholders.

At Completion, the Gamesys Shareholders will sell the entire issued share capital of Target Group Holdco to JPJ pursuant to (i) the Primary Sale Agreement between JPJ and the Gamesys Majority Shareholders; and (ii) the Secondary Sale Agreement between JPJ and the Gamesys Minority Shareholders.

For more information on the structure of the Acquisition, see paragraph 2 (*Terms of the Acquisition*) of "*Part 1: Letter from the Chairman of JPJ Group plc*".

2. HISTORY

The Gamesys Group, of which the Target Business forms the majority, was founded in 2001 by Noel Hayden, Robin Tombs, Andrew Dixon and a small team of developers. Since 2003, the Gamesys Group has been headquartered in Piccadilly, London. The business started by building games for over 20 partner sites.

The Gamesys Group's first branded website, "Jackpotjoy", an online real money bingo-led site aimed at the UK market, launched in early 2002. In the following years, the Gamesys Group further developed the technology platform, operational support and marketing execution back office functions and games content for "Jackpotjoy".

The Gamesys Group launched the "Deal or No Deal" slot game, which in 2006 became a popular online real money slot title in the UK at that time. The Gamesys Group continued to grow its in-house team to build bespoke and branded games which were exclusive to the Gamesys Group's network.

In 2007, the Gamesys Group launched its second branded site, "Botemania", a real money bingo-led site for the Spanish market.

In 2008, the Gamesys Group started operating "Sun Bingo", an online real money bingo site aimed at the UK market, for News International, its first venture using a third-party brand. The Gamesys Group continued to operate "Sun Bingo" until 2015.

In 2010, the Gamesys Group launched "Heart Bingo", "Caesars Casino" and "Caesars Bingo", providing online real money gaming sites aimed at the UK market for Global Radio and Caesars Interactive respectively. The Gamesys Group continued to operate the "Caesars Casino" and "Caesars Bingo" sites until 2018.

In 2012, "Jackpotjoy Sweden" was launched for the Swedish market. In 2012, the slots-only site "Starspins" was launched in the UK market.

In 2013, the Gamesys Group effected its first material corporate transaction, acquiring the assets and personnel of Virgin Games, an online gaming operator, from the Virgin Group and entering into a long-term global trademark licensing arrangement to develop real money gambling and social gaming propositions globally under the "Virgin" brand.

In 2013, the Gamesys Group began to add third-party games content selectively to its product mix.

Later that year, the Gamesys Group partnered with Tropicana under the Tropicana Licence Agreement in order to enter the newly opened New Jersey online gaming market in the United States, launching "Virgin Casino" and "Tropicana Atlantic City". In 2015, the Gamesys Group, in partnership with Tropicana, became the first company to offer online bingo in the US state of New Jersey.

By 2015, the Gamesys Group's proprietary branded sites (and certain minor real money bingo-led sites operated on behalf of third-party brand owning partners) comprised the Jackpotjoy Business. All of the Jackpotjoy Business was powered by the Target Business Technology Platforms, operated and marketed by the Target Business Back Office and made available to end users, together with third-party games (comprising the Legacy Gamesys Non-Bingo Games Content and the Target Business Bingo Games Content).

In April 2015, the Gamesys Group disposed of the brands, player data and certain related intellectual property in the Jackpotjoy Business to the JPJ Group. 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 the JPJ Group) or any of the Legacy Gamesys Non-Bingo Games Content or the Target Business Bingo Games Content. In connection with the 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 the JPJ Group. For more information on the transaction, see paragraph 2.1 (*Acquisitions and disposals*) of "*Part 2: Information on the JPJ Group*".

In 2016, the Gamesys Group launched "Monopoly Casino", an online real money casino site aimed at the UK market.

In 2016, the Gamesys Group also acquired Estonia-based interactive gambling and betting games developer Snowcat Games, a designer and developer of online gaming content, particularly in HTML5 formats. This acquisition resulted in the Gamesys Group acquiring employees and an office in Tallinn, Estonia.

Over time, the Gamesys Group has also developed various social gaming products and technology platforms, which it has used to operate its own proprietary branded site "Bingo Lane" together with social gaming versions of Jackpotjoy and Starspins (the "**Jackpotjoy Social Business**"). The Gamesys Group operated the Jackpotjoy Social Business before and after the disposal of the Jackpotjoy Business (in the latter case pursuant to a social operating agreement with the JPJ Group specifically for the social gaming versions of Jackpotjoy and Starspins).

In August 2018, the Gamesys Group reduced its focus on social gaming by selling "Bingo Lane", the Gamesys Group's social gaming brand, together with all of the technology, know-how and personnel operating its social gaming business (including that which operated the Jackpotjoy Social Business but excluding certain social gaming content developed by the Gamesys Group), to Bagelcode, a South Korean social gaming operator (which, at the same time, acquired a trademark licence in relation to the Jackpotjoy Social Business and certain related assets from the JPJ Group). This disposal resulted in the termination of the social operating agreement between the Gamesys Group and the JPJ Group. However, the Gamesys Group continues to provide social gaming content to Bagelcode for use across its portfolio of social gaming sites, including the Jackpotjoy Social Business. This social gaming content will remain part of the Residual Content Business following Completion.

3. KEY STRENGTHS

The Target Business's key strengths that enable it to be competitive in its target markets include the following:

3.1 Trusted brands in the segments and territories where the Target Business operates

The Target Business operates its B2C gaming offerings in the online bingo and casino gaming sector under three trusted and recognisable brands in the UK and New Jersey, USA, each of which attracts a wide player demographic. When a player decides which online game offering to select, trust is an important factor. Virgin is a well-known brand in the UK generally and recognised amongst other things for its high standards of service, an important differentiator in gaming. The Heart and Monopoly brands are also well-known in the UK through radio and traditional games/gaming respectively.

3.2 Player focus

The online gaming sector is highly competitive and, in order to retain players, there needs to be a strong focus on player retention. The Target Business has demonstrated historically that it is very effective at acquiring players. Furthermore, once players join the Target Business Branded Sites, a high proportion remains loyal to the Target Business Technology Platform and is likely to return to the Target Business Branded Sites to play again. Factors contributing to high customer retention rates include excelling in the customer experience, such as offering regular and highly targeted promotions, a strong chat community and customer service, game liquidity, prompt payments to players of withdrawals and regularly updated gaming content.

The need to have a safe and secure environment for players to play fair games is essential for a successful site and the Target Business has a particular focus on responsible gaming. This includes providing "easy to use" tools for players to manage their play together with technology to identify players who are at risk and trained support staff to interact with them. Other areas the Target Business has identified as being important for player retention include being able to reassure players that their data is kept private, and the Target Business Branded Sites have experienced security personnel and tools to protect against attacks on those sites.

The Target Business is also player centric with regards to game choices. It provides a managed choice of games on the Target Business Branded Sites, with the intention of offering players the right game, at the right time and on the right device. The Target Business's "demo play" is an important feature, which allows players to play any game in a free mode. This enables players to try out new games on the Target Business Branded Sites, and new players to familiarise themselves with the games offered by the Target Business Branded Sites.

3.3 A proprietary platform

Unlike many gaming operators in the UK market, the Target Business Branded Sites are powered by technology owned by the Target Business or licensed from third parties. In addition, unlike other B2B platform suppliers, the in-house Target Business Technology Platforms are only used to power the brands operated by the Target Business and the brands which it operates on behalf of the JPJ Group; they are not provided to any other third parties.

The Target Business sees this as a key differentiator and this "platform exclusivity" means that new innovations and features are only made available to players on the sites operated by the Target Business and the sites comprised within the Jackpotjoy Business. Owning its own technology also means that when changes are made, there is little or no dependency on third parties and, if, for example, a new development is considered very important, it can be prioritised and delivered on the Target Business Technology Platform.

3.4 Marketing engine

The Target Business sees the foundations of its success as having been built on its in-house marketing expertise. The marketing function comprises the acquisition and retention teams. The objective of the acquisition team is to acquire new players, and this team seeks to optimise the process of acquiring players across multiple brands, through leveraging the brands licensed from the Target Business's trademark partners and territories in the most cost-efficient way possible by using multiple digital and above the line channels (i.e. television, press, print, outdoors and digital).

The retention team is tasked with offering new players tailored welcome journey communications, including information on all responsible gaming tools, as well as seeking to ensure that existing players remain active and engaged on the sites. They also focus on reactivating players who may have stopped playing on the site, particularly when new games are launched.

3.5 Operating in regulated markets

99.8 per cent. of the Target Business B2C revenues derives from regulated markets, with 96.4 per cent. of its overall revenues in the year ended 31 December 2018 coming from the UK market. For a regulated market such as the UK, market regulation and taxation act as significant barriers to entry when compared with unregulated markets where barriers to entry are lower.

3.6 Human capital

The Target Business considers its employees to be a key competitive strength. As at 31 March 2019, the Target Business employed 848 people, the majority of whom work in marketing and technology.

The ethos of the Target Business is "have fun making fun" which is a philosophy that permeates throughout the organisation. The Target Business seeks to provide an attractive working environment whilst offering a rewarding compensation structure, and this has contributed to a significant number of key employees remaining with the Target Business for far longer than the industry average. These experienced personnel help foster a collaborative environment in the workplace which, the Target Business believes, results in better productivity.

3.7 Player acquisition and retention

Acquisition and retention of players are critical factors in the Target Business's success. The TB Average Active Customers per Month and the TB Average Real Money Gaming Revenue per Average Active Customer are key performance indicators and, in the nine months ended 31 December 2018, the Target Business had approximately 239,418 TB Average Active Customers per Month generating TB Average Real Money Gaming Revenue per Average Active Customer of approximately £64.00 per month.

The age profile of the Target Business's customers in the nine months ended 31 December 2018 shows that more than 70 per cent. of customers were under the age of 45, whilst less than 10 per cent. of customers were 60 years old or more. In terms of gender profile, approximately 54 per cent. of players were women and approximately 46 per cent. of players were men. More than three quarters of customers played using a mobile device as opposed to with a desktop device.

4. STRATEGY

The Target Business's strategy can broadly be divided into four areas:

- growing its position responsibly and sustainably in the UK market;
- geographic expansion into other regulated markets, including in the United States;
- player trust; and
- innovation.

4.1 Growing its position responsibly and sustainably in the UK market

The Target Business generates a high margin in the UK. The Target Business believes that the likely outcome of the higher taxes and high levels of regulation now in place over the next two to three years is a relatively lower level of new market entrants, a reduction in the marketing spend of existing smaller operators and the potential withdrawal from the market of some operators who will consider the UK market too difficult to operate in.

Operating responsibly is a key strategic goal of the Target Business and it will aim to continue to deliver growth in a sustainable and responsible way. The strong brands under which the Target Business operates in the UK market are a key factor in differentiating the Target Business from other operators, both in terms of brand awareness and trust.

4.2 **Geographic expansion into other regulated markets**

Whilst the vast majority of the B2C revenues currently generated by the Target Business are from the UK market, it also generates revenues in the state of New Jersey in the United States and believes other regulated markets also offer future opportunities.

For example, the Target Business, which offers Virgin Casino and the Tropicana Site in partnership with Tropicana in New Jersey, US, was one of the original entrants into the New Jersey online gambling market and it is an established online gaming operator in the state. At present, given the high level of taxation in certain other US states and the levels of investment being made by sportsbook entrants across the US, the Target Business is not actively planning to expand into any further US states but it continues to monitor activity in the United States, with a view to reviewing operations if the regulatory environment changes and results in opportunities in specific US states.

The Target Business is also in the early stages of considering launching a brand in another international regulated territory which it believes it is well placed to exploit. Further discussion on whether to progress this opportunity (or divert resources elsewhere) are expected to take place following Completion. In addition to entering the US market, the Gamesys Group has a track record of successfully launching brands in both Spain and Sweden. The Target Business launched the Spanish and Swedish brands and carried out both acquisition (digital and above the line marketing) and retention of players in these new markets using its in-house team of industry specialists.

The Target Business believes that its experience of setting up operations internationally, coupled with in-house regulatory and compliance expertise, means that it is well placed to exploit new international opportunities as they arise.

4.3 **Player trust**

The Target Business's strategy includes striving to obtain player trust both in order to understand its players better and to build deeper and more enduring relationships with them than its competitors. The Target Business aims to ensure its promotions and communications are clear, fair and transparent. The Target Business employs "chat hosts", who are an integral part of the interaction with players, to offer a fun and safe environment for their entertainment. The Target Business Branded Sites also have regular video streams broadcast within the chat window to players and such video streams are hosted by the chat hosts themselves. Both the hosting of the sites and the video streaming help engender the trust of players.

4.4 **Innovation**

The Target Business owns its platform, develops its own bingo games, and has its own internal marketing team focusing on both player acquisition and retention. This structure allows the Target Business to be ambitious and innovative in all areas and be driven to develop opportunities within those areas to provide thrilling entertainment for players. The ability to differentiate through innovation without having to resort to suppliers and third-party providers allows the Target Business to focus on the continuous improvement of its products and services.

5. **OVERVIEW OF THE TARGET BUSINESS**

The Target Business comprises five key aspects:

- the Target Business Branded Sites and Tropicana Site;

- the Target Business Bingo Games Content;

- the Target Business Technology Platforms;
- the Target Business Back Office; and
- operating the Jackpotjoy Business under the terms of the Operating Agreement.

5.1 The Target Business Branded Sites and Tropicana Site

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 Back Office (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.

(a) ***Virgin Games***

The Virgin Games site 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 site is operated under a brand licence with Virgin Enterprises.

(b) ***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.

(c) ***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.

(d) ***Virgin Casino (New Jersey)***

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 licence with Virgin Enterprises and in partnership with Tropicana. The website is operated under the permit issued to Tropicana by the DGE pursuant to the Tropicana Licence Agreement.

The Target Business also provides software and services to Tropicana on a B2B basis for use by Tropicana in respect of the Tropicana Site on a B2C basis, using certain elements of the Target Business Technology Platforms and the Target Business Back Office. The Tropicana Site leads with Gamesys games and is supported by a range of third-party casino games. The Tropicana Site does not offer third-party bingo games.

The Target Business also provides customer support services and gaming finance services to SBTech for the benefit of Churchill Downs Interactive Gaming with respect to its offer of its "BetAmerica" online betting and casino platform.

From Completion, the games content available on each of the Target Business Branded Sites and Tropicana Site will be a combination of:

- the Target Business Bingo Games Content (owned by the Target Business and maintained, supported and developed by the bingo games studio comprised within the Target Business);
- the Legacy Gamesys Non-Bingo Games Content (provided by the Residual Content Business to the JPJ Group under the terms of the Games Licence Agreements); and

- third-party content over which the Target Business will have direct control by way of contractual arrangements with the relevant third-party games creators or distributors.

Third-party owned brands under which the site is operated are an integral part of the Target Business Branded Sites. A summary of each of the relevant brand licences is set out below:

(a) ***Virgin agreements***

Gamesys Limited and its wholly-owned subsidiary Nozee Limited ("**Nozee**") entered into an agreement with Virgin Enterprises Limited ("**VEL**") on 29 January 2013 (as amended and restated on 9 May 2014, and amended on 26 June 2013 and 14 November 2018) for the operation of online gaming, under the names Virgin Games, Virgin Bet and Virgin Casino, of: (i) 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 (ii) social gaming and betting on a worldwide basis (excluding the Middle East) (the "**Virgin Agreement**").

The exclusive rights granted to Nozee are subject to certain exceptions, including land-based casinos and bingo halls, scratch-cards and lotteries, and e-sports.

The Virgin Agreement includes minimum annual revenue targets in the UK and the US. If revenues in either of those territories falls below 80 per cent. of the minimum target in any year, VEL has the ability to terminate Nozee's rights in that territory. For other jurisdictions, a weighted revenue target is applied each year (based on the relative size of that territory's GDP and population size relative to the UK).

Under the Virgin Agreement, Nozee is required to spend an aggregate minimum amount on advertising in the UK and Ireland each year.

The Virgin Agreement provides that Nozee is required to pay VEL a royalty share in respect of real money revenues generated in each territory (based on net online gaming revenue) and social gaming revenues generated worldwide. Minimum annual revenue requirements apply to real money online gaming in the UK and US, but not in any other territories and not in respect of social gaming. Nozee is required to make top-up payments each quarter if the revenues in the UK and the US fall below these minimum requirements. Nozee is permitted to roll forward negative revenue in any quarter for a particular territory to a subsequent quarter in the same contract year (but any negative revenue cannot be applied to another territory or between real money gaming and social gaming).

The Virgin Agreement contains a wide range of provisions designed to safeguard the Virgin brand and control how it may be used by Nozee.

Under the Virgin Agreement, Virgin can terminate Nozee's ability to use the Virgin brands in certain circumstances, for example 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 time frame after it has become legally possible to do so.

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, including if Nozee undergoes a change of control.

Nozee is required to consult with VEL before entering any new territory and provide VEL with its proposed business plan. Nozee is required to obtain VEL's consent (not to be unreasonably withheld, conditioned or delayed) in order to establish any sales office to carry out any activities in relation to the licensed activities outside those territories in which it is permitted to provide online gaming and betting under the Virgin brands from time to time (save in respect of Malta, Gibraltar, UK, USA, Canada and Spain).

Prior approval from VEL is required in relation to the use of Virgin branding in all above the line creative advertising or marketing campaigns (i.e. TV, press, print, outdoors and digital). Nozee must also use reasonable endeavours to incorporate any reasonable comments made by VEL's creative council on significant creative campaigns. Any advertising or marketing featuring Richard Branson requires prior approval.

The Virgin Agreement contains mutual warranties. Gamesys Limited has provided a parent company guarantee in respect of Nozee's obligations. In addition, Nozee has given certain indemnities, which are generally uncapped. Otherwise there are mutual liability caps which apply per annum and over the life of the contract.

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 will be amended and restated (with effect from Completion) to remove the right for Nozee to operate real money online sports betting and social sports betting under the main names "Virgin Games" and "Virgin Casino". For further details, see paragraph 16.7 (*Amended and Restated Virgin TMLAs*) of "*Part 11: Additional Information*". The Virgin NJ Agreement was also amended and restated at the same time.

(b) ***Global Radio Services Limited (Heart)***

A wholly-owned subsidiary of Gamesys Limited, EPL Gibraltar Limited ("**EPL Gibraltar**"), entered into a contract with Global Radio Services Limited ("**GRS**") on 22 February 2018 relating to the operation of the Heart Bingo site which 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, Ireland or any additional territories agreed between the parties. EPL Gibraltar is required to obtain GRS's prior written consent to the content of any broadcast television, cinema, radio, print, billboard, street furniture or mobile vehicle advertising and use reasonable endeavours to ensure that any other uses of the partner materials comply with certain specified brand guidelines.

Under the GRS Agreement, EPL Gibraltar is required to pay a percentage of net gaming revenue to GRS monthly in arrears. There are no minimum volume commitments and no minimum advertising spend commitments for EPL Gibraltar. There are minimum advertising spend commitments for GRS.

The GRS Agreement contains mutual warranties and indemnities. Liabilities for indemnities are uncapped save that each party's total liability in respect of any loss or damage suffered by the other in connection with the GRS Agreement (other than in respect of EPL Gibraltar's payment obligations) is capped.

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

(c) ***Scientific Games (Monopoly)***

A wholly-owned subsidiary of Gamesys Limited, Gamesys Gibraltar entered into an agreement with Scientific Games Worldwide Limited ("**SGW**") on 5 October 2015 for the operation of 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. On the same date, Gamesys Gibraltar entered into a further agreement with Scientific Games (Gibraltar) Limited (a group company of SGW) ("**SGG**") for the provision of games to Gamesys Gibraltar for its use on agreed websites (the "**SG Games Supply Agreement**") and Gamesys Limited entered into two further agreements with Bally Gaming Inc. (another group company of SGW) ("**Bally**"): (i) for the provision of games to Gamesys Gibraltar for use on agreed websites in New Jersey (the "**Bally Games Supply Agreement**"); and (ii) pursuant to which Gamesys Limited cross-licensed its right in its patent portfolio with Bally (the "**Bally Patent Cross Licence**"). The Monopoly Website Agreement, the Monopoly Branded Games Agreement, the SG Games Supply Agreement, the Bally Games Supply Agreement and the Bally Patent Cross Licence are collectively referred to as the "**Scientific Games Agreements**" and SGW, SGG and Bally are collectively referred to as "**Scientific Games**".

Under the Monopoly Website Agreement, Gamesys Gibraltar 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 themed on Hasbro's intellectual property. The SG Games Supply Agreement, the Bally Games Supply Agreement and the Bally Patent Cross Licence are not exclusive, save that under the SG Games Supply Agreement, Gamesys Gibraltar is permitted to select three games from the list of games which will be exclusively provided to Gamesys Gibraltar for use on the Gamesys Group websites for a period of 90 days before they are offered to any other operator. In turn, these exclusive games must receive prominent exposure on the Gamesys Group websites for a period of six weeks.

The Monopoly Website Agreement took effect from 1 January 2015 for an initial term of two years, following which it continued for a further year, provided that Gamesys Gibraltar 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, and the SG Games Supply Agreement and the Bally Games Supply Agreement each took effect from 1 January 2016 for an initial term of three years. After the expiry of the applicable initial term, each of the aforementioned agreements automatically renews for successive one-year periods until either party terminates for cause, or gives at least 90 days' notice that it does not wish to renew. The Bally Patent Cross Licence commenced on 10 October 2015 and, unless terminated by either party for cause, expires on the date on which the last of the underlying patents expires, is declared invalid or is declared unenforceable.

The Scientific Games Agreements contain minimum annual revenue targets. Payments to Scientific Games under each of the Scientific Games Agreements are calculated as a proportion of the net gaming revenue attributable to the licensed activities under each such agreement. However, in the event that revenue payable to Scientific Games across the Scientific Games Agreements drops below a particular amount. Gamesys Gibraltar is required to make top-up payments to SGG under the SG Games Supply Agreement. If the minimum revenue target is not met in any year during the term, Gamesys Gibraltar is required to pay the difference to SGG within thirty (30) days. In the event of expiry or termination of any of the Scientific Games Agreements for reasons other than material breach by Gamesys Gibraltar or Gamesys Limited, the minimum revenue guarantee ceases to apply.

SGW is required to notify Gamesys Gibraltar promptly in the event that SGW's licence agreement with Hasbro, Inc. expires, is terminated or is otherwise amended in a way that impacts Gamesys Gibraltar or Gamesys Limited's respective rights under the Monopoly Website Agreement or the Monopoly Branded Games Agreement. Any such event which: (i) is not due to a material breach by Gamesys Gibraltar or Gamesys Limited; and (ii) materially impacts upon Gamesys Gibraltar or Gamesys Limited's rights under such agreements, is deemed a repudiatory breach by SGW that shall entitle the relevant Gamesys Group company to terminate for cause.

The Bally Patent Cross Licence may only be terminated in the event that a party (i) fails to pay an amount due under the agreement; or (ii) challenges, or aids a third party to challenge, the validity of the other party's patents, and in each case, fails to cure such breach on notice.

Otherwise, the Scientific Games Agreements contain a number of mutual termination provisions, including termination for material breach of the relevant agreement, or of provisions related to intellectual property infringement, regulatory compliance or anti-bribery in the other Scientific Games Agreements (in each case, subject to a grace period for remediable breaches); termination if the other party ceases, or threatens to cease, to carry on the whole or a substantial part of its business; termination for bankruptcy; termination if the other party is deemed to be an 'unsuitable person' (as determined by the terminating party's compliance committee in good faith); termination in certain force majeure events or termination in the event that the gaming licences upon which the other party relies are suspended, revoked, or otherwise become ineffective.

Each party's total liability in respect of any breach of the Monopoly Website Agreement, the Monopoly Branded Games Agreement, the SG Games Supply Agreement and the Bally Games

Supply Agreement is (apart from the indemnities) capped. Liability under the Bally Patent Cross Licence is uncapped.

The Gamesys Group is seeking the consent of Scientific Games to (i) the continuation of the business between the Gamesys Group and Scientific Games on the terms set out in the Monopoly Website Agreement, the Monopoly Branded Games Agreement, the SG Games Supply Agreement, and the Bally Games Supply Agreement following the Gamesys Group Reorganisation and the proposed Acquisition; (ii) the sublicensing of the Monopoly Branded Games Agreement to Content Holdco, to allow Content Holdco to develop games on behalf of the Target Group following the Reorganisation; (iii) the sublicensing of the SG Games Supply Agreement to Virgin Bet Limited, to allow Virgin Bet Limited to use certain licensed games on the Virgin Bet site until such time as Virgin Bet Limited agrees the terms of its own contract with Scientific Games or termination or expiry of the Transitional Services Agreement (whichever occurs earlier); and (iv) the provision by Content Holdco of certain gaming software to the Target Group following the Reorganisation. In addition, Gamesys Limited is seeking Bally's consent to (i) the novation of Bally Patent Cross Licence to Content Holdco; and (ii) Content Holdco supplying games utilising Bally's patents to third parties, including companies in the Target Group, following the novation.

(d) ***Tropicana***

On 29 July 2013, Gamesys Limited entered into the Tropicana Licence Agreement with Tropicana pursuant to which it was granted the right by Tropicana to operate Virgin Casino in reliance upon the permit issued to Tropicana by the DGE. Pursuant to such agreement Gamesys also licensed use of its games and gaming software to Tropicana to enable Tropicana to make available the "Tropicana Atlantic City" casino to players in the US state of New Jersey.

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, including: termination for material breach (subject to a grace period for remediable breaches); termination if the other party ceases, or threatens to cease, to carry on the whole or a substantial part of its business; termination for bankruptcy; termination if the other party is deemed to be an 'unsuitable person' (as determined by the terminating party's compliance committee in good faith); termination if a US federal online gaming law is enacted that otherwise authorises nationwide offerings of real money online gaming (provided that in such circumstances Tropicana may require the parties to enter into good faith negotiations to enter into a new US-wide contract on similar terms); certain force majeure events; or a change in law. In addition, Tropicana may terminate the Tropicana Licence Agreement if Gamesys Limited is acquired by a competitor of Tropicana, or if there is a chronic service level failure in respect of the services provided by Gamesys Limited to Tropicana.

Tropicana has the right to in-house certain of the support services being provided by Gamesys Limited on 90 days' notice; in the event that Tropicana does so, the parties are required to negotiate in good faith a reduction in the licence and support fees payable to Gamesys Limited. In March 2018, Tropicana in-housed the provision of VIP management services from Gamesys Limited.

The revenues generated by Gamesys Limited under the Tropicana Licence Agreement depend on whether the website(s) being operated under the Tropicana Licence Agreement use brands introduced by Tropicana or brands introduced by Gamesys Limited. Tropicana pays Gamesys Limited a monthly software licence and support fee in respect of each gaming website operated under a brand introduced by Tropicana (such as "Tropicana Atlantic City"). Gamesys Limited pays a permit fee to Tropicana in respect of each gaming website operated under a brand introduced by Gamesys Limited (such as "Virgin Casino"). The Tropicana Licence Agreement provides that either party may introduce additional branded websites.

As between the parties, Gamesys Limited owns the player data in respect of any websites that are operated under a brand introduced by Gamesys Limited, and Tropicana owns the player data in respect of any websites that are operated under a brand introduced by Tropicana.

Gamesys Limited provides certain indemnities to Tropicana in respect of losses suffered by Tropicana as a result of: any breach by Gamesys Limited of applicable gaming laws; Gamesys Limited's failure to pay player winnings or to pay gaming taxes in respect of any gaming website which is operated under a brand introduced by Gamesys Limited; any claims that Gamesys Limited's software, games or brands infringe the intellectual property rights of a third party; and any impairment to Tropicana's gaming licences caused by any act or omission of Gamesys Limited (unless taken at the explicit direction of Tropicana).

Tropicana is entitled to propose extending the scope of the Tropicana Licence Agreement to any US states or jurisdictions outside New Jersey, in which case the parties shall discuss any such proposal(s) in good faith.

On 7 June 2019, Tropicana consented to the Gamesys Group Reorganisation, the proposed Acquisition, and the subcontracting of certain of Gamesys Limited's obligations under the Tropicana Licence Agreement to a company in the Residual Content Business following the Gamesys Group Reorganisation. Gamesys Limited and Tropicana are now negotiating a variation to the Tropicana Licence Agreement to reflect these changes, and to permit Gamesys Limited to subcontract any and all of its obligations to provide a gaming platform to SBTech. Pursuant to such amendment, the term of the Tropicana Licence Agreement will be varied to renew for a single additional two-year term following the expiry of the initial term (ending in November 2021), save if either party gives notice by the end of 2019 in which case it will expire on 26 November 2020.

5.2 **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.

5.3 **The Target Business Technology Platforms**

The Target Business Technology Platforms:

- are proprietary or licensed in from third parties;
- are focused on delivering a regulatory compliant system;
- give a great customer experience by delivering personalised content;
- deliver casino and bingo games;
- provide the chat and community functionality tools;
- enable third party content integration; and
- provide back office functionality, including payments and administration functionality and customer service tooling.

The Target Business Technology Platforms service desktop, tablet and mobile devices and deliver a common user interface across devices. 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's players accessed a mobile device to play on the Target Business Branded Sites.

5.4 **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's legal and regulatory obligations.

5.5 **Operating the Jackpotjoy Business**

The Target Business operates the JPJ Branded Sites and provides the JPJ Group with platform services and gaming content to Jackpotjoy Operations 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.

6. **COMPETITIVE ENVIRONMENT**

The main competitors of the Target Business Branded Sites in the UK include Foxy Bingo, Sun Bingo, Mecca, Gala Bingo, Tombola, 888, William Hill, Ladbrokes, Sky Vegas and LeoVegas. The main competitors of the Target Business Branded Sites in New Jersey, USA are, amongst others, Borgata casino and Golden Nugget casino.

7. **REGULATION**

The Gamesys Group holds the following gambling regulatory licences which will be comprised within the Target Business, all of which are expected to remain in place from Completion (subject, in the case of licences in Great Britain, to the JPJ Group making relevant change of control notifications to the GBGC that Completion has occurred, within the relevant time frame).

7.1 **Great Britain**

Gamesys Limited currently holds a remote gambling software licence with the GBGC and Gamesys Gibraltar currently holds a remote operating licence with the GBGC which covers casino, bingo and general betting (real events).

For more information on the regulatory regime in Great Britain, see paragraph 7 (*Regulation*) of "*Part 2: Information on the JPJ Group*".

7.2 **Gibraltar**

The Gamesys Group operates through a remote gambling casino licence (RGL No. 046) granted to Gamesys Gibraltar under the provisions of the Gibraltar Act which was originally obtained on 1 July 2010 and renewed on 24 March 2015 for a further five-year term subject to annual renewal. The renewed Gamesys casino licence takes into account the arrangements following the Jackpotjoy Acquisition.

For more information on the regulatory regime in Gibraltar, see paragraph 7 (*Regulation*) of "*Part 2: Information on the JPJ Group*".

7.3 **Spain**

Gamesys Spain holds a general licence in Spain for the operation of "other games", as well as singular licences related to bingo, slot machine games, blackjack and roulette.

Juegos Espana plc holds a general licence for "other games" and a general licence for "contests" with the Directorate General for the Regulation of Gambling in Spain.

For more information on the regulatory regime in Spain, see paragraph 7 (*Regulation*) in "*Part 2: Information on the JPJ Group*".

7.4 **USA (New Jersey)**

Each of Gamesys Limited and Gamesys US LLC holds a "Casino Service Industry Enterprise" licence with the DGE in New Jersey, USA (Nos. 374-50 and 373-50) granted by the DGE on 4 June 2015 (Order No. 1249) respectively in accordance with the provisions of the New Jersey Casino Control Act, as amended in 2013, to authorise remote gambling. The licence is valid for five years and renewable for additional five-year terms upon resubmission of information and documentation required by the DGE. The licence permits each of Gamesys Limited and Gamesys US LLC to provide gaming-related services to casinos and remote gambling operators.

Remote gambling is regulated in the State of New Jersey in accordance with the New Jersey Casino Control Act, N.J.S.A. 5:12-1, et seq. as amended in February 2013 by P.L.2013, c.27 (entitled "An act authorizing Internet gaming at Atlantic City casinos under certain circumstances and amending and supplementing the "Casino Control Act") (the "**Casino Control Act**)". Authorisation to offer remote gambling expires ten years from the operative date established by the DGE.

As a result of a provision in the New Jersey State Constitution, all casino gambling must occur within the physical boundaries of the city of Atlantic City, New Jersey. In order to comply with this constitutional requirement, the Casino Control Act deems remote gambling to occur where the servers are located and thus requires all remote gambling servers to be located within a casino or other authorised location within Atlantic City. In order to comply with the requirements of US federal law that generally prohibits interstate online gambling in violation of the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. §5362, et seq., the Casino Control Act requires all remote gambling patrons to be physically located within the State of New Jersey.

The amended Casino Control Act authorises each land-based casino licensee to apply for an Interactive Gaming Permit which entitles each casino to offer up to five independent remote gambling brands, or "skins". Each operator of a "skin", as well as anyone supplying gaming-related goods or services to the casino or remote gambling operator, must be issued a Casino Service Industry Enterprise ("**CSIE**") license. A CSIE licence is valid for five years and renewable for additional five-year terms upon resubmission of information and documentation required by the DGE.

An applicant for a CSIE license must submit detailed disclosures on behalf of the applicant company, its intermediary companies and holding company, shareholder entities, and a variety of individuals including directors, officers and key employees of each of the foregoing entities, as well as certain individual indirect shareholders. Business disclosures include corporate structure, commercial history, legal matters corporate financial information and other company books and records. Personal disclosures include detailed personal and family information, educational and professional background, legal matters, and personal financial information. Individual applicants must also submit fingerprints. The DGE conducts a thorough investigation of each entity and all individuals, including in-person interviews and document reviews. A detailed investigative report is then presented to the Director of the DGE along with a recommendation for issuing the licence. Applicants for a licence, as well as licensees, have an ongoing obligation to provide updated information to the DGE concerning any material matter that may affect the good character, honesty and integrity of the entities and/or individuals.

8. OPERATING SECURITY POLICIES

8.1 Data management

The Target Business processes customer data and has policies in place designed to ensure data security to protect the Target Business's information, as well as its customers.

Access control and access to all data is in line with the information security standard (ISO 27001:2013) framework. This extends to any deletion and anonymisation of data. There are regular external audits to make sure the ISO processes are followed within the Target Business.

Data access is managed through a system called "Active Directory", which is a management system to control access to customer data. Strict access procedures and audit trail capability are in place.

The Target Business uses collected player data to provide players with the services they have requested. The Target Business also uses player data to carry out identity and age verification checks on prospective players, for marketing purposes, to offer or send merchandising to players and to provide customer and transaction services. Player data is also shared with third-party partners and payment processors to ensure that players receive payment of winnings, and with certain third-party processors where required to deliver prizes to such players. The Target Business does not sell any player data to third parties. The Target Business uses cookie data and information from HTTP headers to optimise the player experience when visiting the Target Business Branded Sites. HTTP header information captured consists of network protocols and IP addresses, personal computer operating platform information, screen resolution settings and language settings. The use of cookies by the Target Business Branded Sites is governed by the cookie policy of the Target Business Branded Sites.

In light of recent legislative changes, including the GDPR, the Target Business has rolled out ongoing training and a number of new or revised internal policies. The Target Business appointed a data protection officer in September 2017, ahead of the GDPR coming into force.

8.2 **Safe and Secure Environment**

The Target Business is committed to providing players with a safe, secure and fair environment for them to enjoy their play. The Target Business is responsible for maintaining the technological infrastructure, compliance and security processes and procedures for the Target Business Branded Sites. Gamesys has implemented the following information technology and security measures for the Target Business Branded Sites:

- a 24/7 network operations centre engaged in continuous monitoring of availability, performance and security;
- multiple firewall systems segregating the various security zones;
- host (file-integrity) and network-based intrusion detection systems;
- a DDoS protection system:
- an SSL-based data transfer from customer to gaming site; secure storage of sensitive data using various forms of encryption and key management;
- information security training for the Gamesys Group's real money gaming operating companies and infrastructure management;
- physical security at all data centres with 24/7 manned hosting environments, intrusion detection, closed circuit television monitoring and authorised/logged entry;
- redundant systems covering equipment, service providers and sites, which together deliver a disaster recovery solution; and
- off-site online backup systems.

8.3 **Customer support**

The Target Business provides customer support for the UK market on a 24/7 basis. The customer service function is mainly run from the Target Business's Stoke-on-Trent office. The Target Business also has a customer support team based in its Gibraltar office which affords a back-up function in case of any downtime.

The Target Business provides customer support for the New Jersey market from its offices in New Jersey, USA.

8.4 **Payment processing**

The Target Business has implemented a payment processing system for the brands it operates using proprietary software which connects to multiple third-party payment service providers with the capability to supply global online payment processing. Through a subsidiary, Gamesys is PCI-DSS certified to a "Level 1 Service Provider" certification which allows direct involvement in the processing, storage and transmission of cardholder data.

8.5 **Anti-fraud management, money laundering procedures and risk management**

The Target Business has policies, procedures and controls which are designed to comply with the requirements of applicable regulations and licences.

The Target Business's AML policy is a collection of procedures, technologies and techniques to make a risk-based assessment of all players and financial transactions using the Target Business Branded Sites. In particular, the operating companies within the Target Business have developed a "know-your-customer" protocol which includes account registration procedures, age and identity verification, enhanced due diligence procedures for high-value activities, relevant record keeping requirements and various internal and third-party systems, controls and procedures to monitor and assess ongoing player activity. AML training is provided at least annually to relevant employees, and procedures are in place for reporting suspicious or confirmed fraudulent activity both internally, and to the relevant law enforcement authorities.

The Target Business has an MLRO, a deputy MLRO, a compliance team and also fraud and risk management teams, whose responsibilities include assessing and implementing policies, procedures and controls in accordance with applicable regulatory requirements and industry best practice, as well as reporting to senior management on the Target Business Branded Sites and the Jackpotjoy Business's compliance with applicable regulatory requirements. The MLRO ensures that all such operating companies periodically undertake risk assessments of players, products, employees, areas of operation and payment transaction methods. The MLRO also reviews susceptibility to different types of money laundering, industry and product risks associated with the Target Business Branded Sites and the Jackpotjoy Business, and develops and implements corresponding AML methodology and policies.

Under applicable gambling regulations in the UK, it is illegal for anyone under the age of 18 to gamble on real money gaming websites. All real money gaming players are required to confirm positively upon registration that they are over the age of 18. The Target Business has age verification policies as part of its "know-your-customer" processes and uses both automated and manual methods to verify a player's age and identity. In accordance with applicable regulatory requirements, the operating companies within the Target Business suspend all customers located in the UK, Ireland, the Isle of Man and Channel Islands who fail to verify their age and identity at the time an account is created but before any play takes place. Additionally, in the UK, the Target Business complies with new age and identity regulations which came into force in May 2019 ensuring only successfully verified players are permitted to deposit and play real money games.

8.6 Management information systems

The Target Business has several reporting systems. These include corporate reporting tools such as Cognos and Tableau which deliver timely and easy access to reports. The Target Business also has controls and reporting from the gaming system and the cashier system.

The Target Business is required to carry out timely reporting in order to discharge its various regulatory obligations. Management reports from the Target Business Technology Platforms, including relevant daily and monthly key performance indicator reports, are produced on a regular basis by the Target Business for its management.

8.7 Responsible Gaming

The Target Business seeks to provide a safe, responsible and trusted online gaming environment for players to play on its sites. The Target Business takes responsible gaming seriously and has a compliance department to prepare and maintain responsible gambling policies for the Target Business.

The Target Business has a dedicated social responsibility team that, in tandem with business analytics, works to implement a proactive policy to detect potential problem gamblers. The social responsibility team is trained to identify patterns and behaviours that may indicate problem gambling and report such activity. The social responsibility team operates on a 24/7 basis from Gamesys' Stoke-on-Trent office.

There are also a variety of responsible gaming tools available to players on the Target Business Branded Sites. The Target Business recognises the importance of promoting a culture of responsible gambling on its sites and that it has a duty to encourage customers to play responsibly. Measures it has implemented to encourage this include: (i) account deposit limits which can be set daily, weekly or monthly; (ii) session reminders; (iii) account cool-off periods of between 24 hours and six weeks; (iv) account history information, enabling customers to view their deposit and withdrawal history; and (v) self-exclusion.

Under the Target Business's self-exclusion policy, a player may request to be blocked from further play on a site. In such cases the account will be blocked immediately and the player will not be able to reactivate such an account within the self-exclusion period.

In April 2018, the GBGC launched GamSTOP, an online self-exclusion scheme to enable people with gambling problems to self-exclude (i.e. to ban themselves) from online gambling platforms. The Target Business is committed to this obligation and was part of the team that assisted in the designing and building of the GamSTOP technology.

All new Target Business employees are subject to regular training on key regulations and guidelines. Additionally, customer facing staff all receive induction training on social responsibility and AML and annual refresher e-learning. In addition, training is also provided by GamCare, the leading industry support and self-help charity, and the Samaritans.

In addition to the training modules, the Target Business has a working partnership with GamCare, and has been accredited with its "certification" award. The GamCare certification is awarded to organisations that have successfully implemented the "GamCare code of conduct for remote platforms". The Target Business also works with Gamban, which is a software tool that is offered to players free in their first year after applying a self-exclusion to their account. Once downloaded this blocks the player from gambling on any site.

The Target Business also supports GambleAware and makes annual donations to it. GambleAware coordinates and funds research into the prevention of gambling-related harm in the UK.

The Target Business is required to comply with UK advertising codes of practice which are administered by the UK's Advertising Standards Authority. As a matter of practice, the Target Business also seeks to comply with the Gambling Industry Code for Socially Responsible Advertising, which is governed and administered by the Industry Group for Responsible Gambling. The Target Business's internal legal team provides advice, guidance and final sign-off in respect of marketing and promotional activities, with a view to ensuring compliance with all relevant advertising codes of practices. In particular, the Target Business seeks to ensure that advertisements: (i) are legal and not misleading; (ii) are socially responsible as described in the UK's advertising codes of practice; (iii) do not exploit children or other vulnerable persons in relation to gambling activity; (iv) are not specifically or intentionally targeted towards people under the age of 18; and (v) in the case of direct marketing, are only sent to those customers who have opted in to receiving marketing communications.

The Target Business is also part of organisations, such as RGA, which promote probity and responsibility in the conduct of the online gambling industry.

9. THE TARGET BUSINESS'S MANAGEMENT AND EMPLOYEES

As at 31 March 2019, the elements of the Gamesys Group which represent the Target Business employed 848 people, with its employees working in the UK, Spain, Gibraltar, Malta, Estonia and New Jersey, United States.

The key members of the Target Business management team are:

- Lee Fenton—Chief Executive Officer; and
- Robeson Reeves—Chief Operating Officer.

The number of employees on a full-time equivalent basis for the Target Business is set out below:

	As at 31 December 2018	As at 31 December 2017	As at 31 December 2016
Target Business	811	756	710

It is proposed that Lee Fenton, the Chief Executive Officer of the Target Business, and Robeson Reeves, the Chief Operating Officer of the Target Business, will join the Enlarged Group Board on Completion as Chief Executive Officer and Chief Operating Officer, respectively.

Information on each of the Proposed Directors is set out in "*Part 4: Directors, Proposed Directors, Senior Managers and Corporate Governance*".

10. INTELLECTUAL PROPERTY

The Gamesys Group protects its intellectual property in the Target Business through a combination of registered and unregistered trademarks, unregistered design rights, patents, copyright, database rights, domain names, trade secrets, and other intellectual property rights, as well as through contractual provisions. The Gamesys Group holds a portfolio of over 40 trademark registrations and applications which relate to the Target Business, including bingo game names and names of corporate entities.

In broad terms, the Gamesys Group owns the following copyright works (including database rights) which are material to the operation of the Target Business:

- analytics data and reports;

- bespoke software tools and algorithms;
- bingo games (including software, user-interface, artistic works, sound recordings and musical works and logo);
- core platform software (excluding games and games platform);
- corporate services documents;
- internal branding materials and internal promotional content;
- marketing tech software and algorithms;
- marketing materials;
- player data;
- policy documents; and
- website front ends and apps (and content therein).

11. **PROPERTY**

11.1 The elements of the Gamesys Group which represent the Target Business own or lease office premises in the UK (Stoke-on-Trent and London, respectively), Gibraltar, Malta, Estonia and New Jersey, USA.

11.2 The Target Business's headquarters are in Piccadilly, London. The current lease in Piccadilly is due to expire in March 2021. It is anticipated that the Target Business will remain there until the lease ends.

PART 4: DIRECTORS, PROPOSED DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. JPJ DIRECTORS

The JPJ Directors and their current positions in the JPJ Group are as follows:

Name	Age	Position	Date appointed to JPJ Board
Neil Goulden	65	Executive Chairman and Director	15 August 2016
Simon Wykes	51	Chief Executive Officer of Jackpotjoy Operations and Director	1 November 2017
Keith Laslop	47	Chief Financial Officer and Director	5 September 2016
Colin Sturgeon	69	Senior Independent Non-Executive Director	19 January 2017
Nigel Brewster	56	Independent Non-Executive Director	19 January 2017
Jim Ryan	57	Independent Non-Executive Director	5 September 2016
Andria Vidler	53	Independent Non-Executive Director	7 June 2018

The business address of each of the JPJ Directors is c/o JPJ Group plc, 35 Great St. Helen's, London, EC3A 6AP, United Kingdom.

The management expertise and experience of each of the JPJ Directors is set out below:

Neil Goulden, Executive Chairman and Director

Mr. Goulden became the Executive Chairman of the JPJ Board on 1 November 2017, having been appointed to the board of The Intertain Group Ltd in 2016. Mr. Goulden spent the last 27 years at a board level within a number of leisure businesses, including Ladbrokes, Compass Plc, Allied Leisure Plc and the Gala Coral Group. He was Group Managing Director, CEO, Chairman and Chairman Emeritus of Gala Coral Group from 2001 to 2014. Mr. Goulden was Senior Independent Director at Marston's plc from 2008 until 2017 where he also chaired the remuneration committee and the audit committee. Mr. Goulden is a director of a number of other companies and trustee of a number of charities, and holds and has held a number of ministerial appointments. He was a member of the Low Pay Commission from 2007 to 2015 and advised the government on gambling matters as a member of the Responsible Gambling Strategy Board (2008 to 2011), as Chairman of The Responsible Gambling Trust (2011 to 2016) and advised the government as a member of the Horserace Betting Levy Board (2015 to 2017). Mr. Goulden graduated from the University of Southampton in 1975 with a BSc in Politics and Law and is a Companion of the Chartered Management Institute.

Simon Wykes, Chief Executive Officer of Jackpotjoy Operations and Director

Mr. Wykes was appointed Chief Executive Officer of Jackpotjoy Operations on 1 November 2017. Prior to this appointment, he had experience as the Chief Executive Officer of Gala Leisure (2015 to 2016) and Managing Director at Gala Coral Group (2010 to 2015), where he oversaw the execution of a successful strategic turnaround plan of its bingo division culminating in a management buyout. He also served as Managing Director of Rank Group for four years (2005 to 2009). Mr. Wykes graduated from Nottingham Trent University in 1994 with a BA in Business Studies.

It is proposed that Simon Wykes will move to the role of Transition Director on Completion, remaining on the JPJ Board for a 12-month tenure.

Keith Laslop, Chief Financial Officer and Director

Mr. Laslop is the Company's Chief Financial Officer. Prior to that, Mr. Laslop served as principal of Newcourt Capital, a boutique private equity group. From 2004 to 2008, Mr. Laslop served as the Chief Financial Officer and then President of Prolexic Technologies, Inc., then the world's largest DDoS mitigation provider. From 2001 to 2004, he served as the Chief Financial Officer and Business Development Director of Elixir Studios Ltd. ("**Elixir**"), a London-based video gaming software developer. Prior to Elixir, Mr. Laslop served in various corporate development, mergers and acquisitions, and gaming consultant roles in London, England and Toronto, Canada. Mr. Laslop previously served as a Director and Chief Operating Officer of Taggart Capital Corp. (now PRO Real Estate Investment Trust) until January 2013; a Director of Rineon Group Inc. from May 2009 to January 2010; a Director of Fund.com Inc. from May 2008 to June 2010; and a Director and Chief Operating Officer of Gerova from May 2008 to February 2011 and June 2010 to September 2010, respectively. Mr. Laslop is a Chartered Accountant and holds the Chartered Financial Analyst (CFA) accreditation.

Colin Sturgeon, Senior Independent Non-Executive Director

Mr. Sturgeon has served as independent non-executive director since 19 January 2017. He has extensive experience leading and managing the origination and execution of corporate and government finance. In July 2005, he retired from RBC Capital Markets after more than 20 years of service, having held various roles in Europe, the Middle East and Africa. He was Deputy Chairman of Royal Bank of Canada Europe Limited and Chairman of the European Banking and Trading Risk Management Committees. Mr. Sturgeon has served on the boards of several companies, including those of Clarion Housing Group, Krupaco Finance UK Limited, Channel Services Limited and RBC Pension Trustees Limited. He has also acted as a senior adviser to the Financial Services Authority.

Nigel Brewster, Independent Non-Executive Director

Mr. Brewster has served as an independent non-executive director since listing on 19 January 2017. He is an experienced finance and management executive who has held senior roles in private equity-backed companies in the leisure industry. Most recently, Mr. Brewster was, from November 2015 until April 2016, CFO of Parkdean Resorts Limited, the leading private equity-owned caravan park operator, where he oversaw the merger of Park Resorts and Parkdean Holidays, a £570 million senior debt raise and various aspects of post-merger integration having previously served as CFO of Park Resorts Limited from April 2012. Mr. Brewster previously served as CFO of ADP Dental Group from April 2010 until October 2011, overseeing the sale to IDH Group. From 2005 to 2009, Mr. Brewster held several senior roles at Gala Coral Group, one of Europe's largest integrated gaming businesses where he served as Group Commercial Director, International Business Development Director and, latterly, Group Finance Director. At Gala Coral, Mr. Brewster led a cost reduction initiative to reduce 10 per cent. of the company's cost base, oversaw the establishment of the company's international division and was involved with the creation and implementation of an integrated group information technology strategy. Mr. Brewster also served as the UK Finance Director of Apollo Leisure (now SFX Entertainment Inc.), a theatre owner and producer of live events, including bingo, from 1995 until 2001. Mr. Brewster holds a Bachelor of Science and a Chartered Accountant qualification from the Institute of Chartered Accountants of England and Wales, having qualified with PriceWaterhouseCoopers.

Jim Ryan, Independent Non-Executive Director

Mr. Ryan has served as an independent non-executive director since 5 September 2016. He is an experienced online gaming executive who is currently the CEO of Pala Interactive LLC. He has also held a number of other roles within the online gaming sector that include: Co-Chief Executive Officer of bwin.party digital entertainment plc, Chief Executive Officer at PartyGaming plc, St Minver Limited and Excapsa Software Limited and Chief Financial Officer of Cryptologic Software Limited. Mr. Ryan also currently sits on the boards of Gaming Realms plc, Bragg Gaming Group, Fralis LLC and Pala Interactive LLC, and has served on the boards of several public and private companies. Mr. Ryan holds a Chartered Accountant qualification from the Canadian Institute of Chartered Accountants and degree in business from the Goodman School of Business at Brock University.

Andria Vidler, Independent Non-Executive Director

Ms. Vidler has served as an independent non-executive director since 7 June 2018. She has extensive public markets experience and is currently Chief Executive of Centaur Media plc, a leading business information group. Appointed to this role in 2013, she has overseen the radical transformation of the company from a publishing company to a customer-focused content and insight-led business information group through investment in digital development and the growth of new and existing sales channels. Previously, Ms. Vidler was Chief Executive of EMI, UK and Ireland, from 2009 to 2013, where she grew market share significantly by driving consumer focus and digital innovation at the high-profile, creative business. Prior to this, she held senior roles in marketing and commerce for Bauer Media, Capital Radio and the BBC. Ms. Vidler is a Council member for The Marketing Group of Great Britain, a member of Tech London Advocates, an advisory group of tech experts and was previously a Trustee of the iconic Roundhouse event space in London. Ms. Vidler graduated from Anglia Ruskin University in 1987 with a BA in history and European literature and an MBA in 2000 from the University of Bradford.

2. PROPOSED DIRECTORS

From Completion, the following directors of the Gamesys Group will join the Enlarged Group Board:

Name	Age	Current Position	Proposed Position
Lee Fenton	49	Gamesys Chief Executive Officer	JPJ Chief Executive Officer
Robeson Reeves	35	Gamesys Chief Operating Officer	JPJ Chief Operating Officer

Lee Fenton, Proposed Chief Executive Officer

Mr. Fenton is proposed to become a director and Chief Executive Officer of the Company from Completion. He has been Chief Executive Officer of Gamesys Limited since July 2015. Mr. Fenton initially joined Gamesys Limited in November 2008 as Chief Operating Officer. Prior to joining Gamesys Limited, he was Chief Operating Officer of the mobile division at 20th Century Fox and prior to that served as Global Director of Consumer Products & Content at Vodafone Group plc. Mr. Fenton brings with him considerable experience of working with global brands and managing operations across multiple markets. He graduated in 1992 with a BA Hons in Media & Cultural Studies from the University of the West of England.

Robeson Reeves, Proposed Chief Operating Officer

Mr. Reeves is proposed to become a director and Chief Operating Officer of the Company from Completion. He has been Chief Operating Officer of Gamesys Limited since July 2015. Mr. Reeves initially joined Gamesys Limited in September 2005 and held a number of positions including most recently Director of Gaming Operations from May 2010 and joined the board of Gamesys Limited in August 2010. Since joining Gamesys Limited, he has developed knowledge of how to cohesively connect player and product experiences to marketing and business KPIs to ensure sustainable growth into the future. Mr. Reeves graduated in 2005 with a BSc in Statistics, Operations, Research and Management Studies from University College London.

Senior Managers

In addition to the executive management on the JPJ Board and the Proposed Directors, the following Senior Managers are considered relevant to establishing that the Company has the appropriate expertise and experience for the management of its business:

Name	Age	Position
Irina Cornides	41	Chief Marketing Officer of the JPJ Group
Robert Bressler	40	Vice-President, Finance and Corporate Controller of Intertain
Dan Talisman	45	Chief Legal Officer and Company Secretary

The business address of Irina Cornides is Unit 3Db, Leisure Island Business Centre, 23 Ocean Village Promenade, Ocean Village, Gibraltar. The business address of Robert Bressler is Jackpotjoy Operations (formerly Intertain (Bahamas) Ltd), South Ocean Boulevard, New Providence, The Bahamas. The business address of Dan Talisman is JPJ Group plc, 16 Berkeley Street, London W1J 8DZ, UK.

The management expertise and experience of each of the Senior Managers is set out below:

Irina Cornides

Ms. Cornides is Chief Marketing Officer of the JPJ Group and a director of Jackpotjoy Operations. She is responsible for marketing, acquisition, and retention across the group and has full P&L responsibility for all B2C brands including Jackpotjoy, Vera&John, InterCasino, Starspins and Botemania. Ms. Cornides has held various roles within the JPJ Group during her tenure and previously served as CEO of the Jackpotjoy division. She originally joined Mandalay Media in 2011, which was acquired by the JPJ Group in 2014 and sold in March 2019. With a Bachelor of Science degree in Economics from University College London and a Master of Science degree in Management from the London School of Economics, Ms. Cornides joined the online gaming industry in 2004. She previously worked for PartyGaming (bwin.party), where she held various positions including Retention and VIP Management.

Robert Bressler

Mr. Bressler is the Vice-President, Finance and Corporate Controller of Intertain. Prior to joining Intertain in 2014, Mr. Bressler held senior auditing positions at Ernst and Young LLP from 2004 to 2013, and has extensive accounting and auditing experience with public international corporations and asset management companies. Mr. Bressler holds a Bachelor of Arts degree in History from the University of Western Ontario, a Bachelor of Commerce degree in Entrepreneurial Management from Royal Roads University and is a Chartered Accountant.

Daniel Jeremy Talisman

Mr. Talisman was appointed Chief Legal Officer and Company Secretary of the JPJ Group on 21 August 2017. Mr. Talisman graduated from the University of Manchester and, since 1996, has practised as a solicitor, qualified in England & Wales. He holds a Diploma in Sports Law from King's College, London and is a Fellow of the Chartered Institute of Company Secretaries and Administrators. Mr. Talisman worked for Finers Stephens Innocent LLP (now Howard Kennedy LLP), a specialist media and sports law practice, until 2001, when he was invited by its founder to join Sportingbet plc upon its listing on the AIM market of the London Stock Exchange. At that time, Sportingbet was the first online betting and gaming company to successfully undertake a public offering. As General Counsel and Company Secretary of Sportingbet up to its sale in 2013, Mr. Talisman's experiences included playing a key role in Sportingbet's several international acquisitions, advising the group on its regulatory and licensing obligations in a developing industry, litigating in countries as diverse as Australia, Germany, St. Kitts and Spain, and leading the group's successful negotiations with the US Department of Justice. Mr. Talisman joined GVC Holdings Plc as General Counsel and Company Secretary in 2013, being one of the two consortium partners which acquired Sportingbet plc. He assisted in the integration of the Sportingbet group business into the GVC portfolio and was responsible for the group's governance development during a period of accelerated growth. In 2015, Mr. Talisman joined Mothercare Plc's senior management team to help in the execution of the new turnaround strategy. In addition to his role as General Counsel and Company Secretary, Mr. Talisman assumed responsibility for Mothercare's People function.

3. CORPORATE GOVERNANCE

The JPJ Board is committed to the highest standards of corporate governance. The JPJ Board currently complies with the UK Corporate Governance Code, as amended from time to time (the "**Corporate Governance Code**") by the Financial Reporting Council (the "**FRC**"), and intends to continue to comply following Completion. During the year ended 31 December 2018, the JPJ Group reviewed the new requirements of the Corporate Governance Code published by the FRC in July 2018, which apply in respect of accounting periods starting 1 January 2019, and took a number of steps to ensure implementation of the new requirements. In particular, the JPJ Group reviewed and updated the Remuneration Committee's terms of reference and is reviewing employee engagement to ensure continued and appropriate board-level representation. The JPJ Group also intends to report, for so long as is required, on its compliance with applicable corporate governance requirements and guidelines in accordance with Canadian securities law.

The Corporate Governance Code recommends that at least half of the members of the board of directors (excluding the chair) of a public limited company incorporated in England and Wales should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement. Similar requirements existing in Canada under National Instrument 58-101— Disclosure of Corporate Governance Practices ("**NI-58-101**").

As at the date of this document, the JPJ Board comprises the Executive Chairman, two executive directors and four non-executive directors, including a Senior Independent Director. The JPJ Board consists of Mr. Goulden (Executive Chairman of the JPJ Board), Mr. Wykes (Chief Executive Officer of Jackpotjoy Operations) and Mr. Laslop (Chief Financial Officer) and four independent non-executive directors (Messrs. Brewster, Ryan, Sturgeon and Ms. Vidler).

Upon Completion, Mr Fenton is proposed to become a director and Chief Executive Officer of the Company and Mr Robeson is proposed to become a director and Chief Operating Officer of the Company. It is proposed that Simon Wykes will move to the role of Transition Director on Completion, remaining on the JPJ Board for a 12-month tenure.

Over the coming months, the Company intends to seek to appoint two additional independent non-executive directors to join the JPJ Board following Completion.

The Corporate Governance Code also recommends that the JPJ Board should appoint one of its independent non-executive directors as senior independent director and Colin Sturgeon has been appointed to fill this role. The Senior Independent Director should be available to shareholders if they have concerns which cannot be resolved or would be inappropriate to resolve through the normal channels of the Chairman, the Chief Executive Officer or the Chief Financial Officer.

The Chairman's role is to ensure good corporate governance. His responsibilities include leading the JPJ Board, ensuring the effectiveness of the JPJ Board in all aspects of its role, ensuring effective communication with shareholders, setting the JPJ Board's agenda and ensuring that all JPJ Directors are encouraged to participate fully in the activities and decision-making process of the JPJ Board. In particular, he will chair board meetings and shareholder meetings, ensure that all directors continually update their skills and knowledge, discuss governance and strategy with major shareholders and ensure that the views of shareholders are communicated to the JPJ Board as a whole.

Committees of the JPJ Board

As envisaged by the Corporate Governance Code, the JPJ Board has established nomination, remuneration and audit and risk committees (the "**Nomination Committee**", the "**Remuneration Committee**" and the "**Audit and Risk Committee**"), each with formally delegated duties and responsibilities with written terms of references. From time to time, separate committees may be set up by the JPJ Board to consider specific issues when the need arises. Committees of the JPJ Board have no executive power with regard to their recommendations and do not relieve the JPJ Directors of their responsibility for these matters.

Nomination Committee

The Nomination Committee assists the JPJ Board in discharging its responsibilities relating to the composition and make-up of the JPJ Board. The Nomination Committee is responsible for, amongst other matters, evaluating the balance of skills, experience, independence and knowledge on the JPJ Board, the size, structure and composition of the JPJ Board, retirements and appointments of additional and replacement directors and will make appropriate recommendations to the JPJ Board on such matters. The Nomination Committee also considers succession planning, taking into account the skills and expertise that will be needed on the board in the future.

The Corporate Governance Code provides that a majority of the members of the Nomination Committee should be independent non-executive directors and the chairperson should be the Chairman or an independent non-executive director, but the Chairman of the JPJ Board should not chair the Nomination Committee when it is dealing with the appointment of his or her successor.

The Nomination Committee is composed of three members, two of whom are independent non-executive directors (namely Colin Sturgeon and Nigel Brewster), and Neil Goulden, the Chairman of the JPJ Board. The chairman of the Nomination Committee is Neil Goulden. The Company therefore considers that it complies with the Corporate Governance Code recommendations regarding the composition of the Nomination Committee.

The Nomination Committee meets formally at least twice a year and otherwise as required.

Remuneration Committee

The Remuneration Committee assists the JPJ Board in determining its responsibilities in relation to remuneration, including, amongst other matters, making recommendations to the JPJ Board on the Company's policy on executive remuneration, determining the individual remuneration and benefits package of each of the Executive Directors and recommending and monitoring the remuneration of senior management below board level.

The Corporate Governance Code provides that the Remuneration Committee should consist of at least three members who are all independent non-executive directors. In addition, the Chairman of the Company may be a member of, but not chair, the Remuneration Committee if he/she was considered independent on appointment as Chairman.

The membership of the Remuneration Committee comprises three independent non-executive directors (namely Colin Sturgeon, Andria Vidler and Nigel Brewster) with Neil Goulden, the Chairman of the Company, able to attend from time to time as an observer. The chairman of the Remuneration Committee is Colin Sturgeon. The Company therefore considers that it complies with the Corporate Governance Code recommendations regarding the composition of the Remuneration Committee.

The Remuneration Committee meets formally at least twice a year and otherwise as required.

Audit and Risk Committee

The Audit and Risk Committee assists the JPJ Board with, amongst other matters, discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the Company's annual financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment, reappointment, removal and independence of external auditors and reviewing the effectiveness of the Company's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the interim financial statements, including the half-yearly reports, remains with the JPJ Board.

The Audit and Risk Committee is also responsible for: (i) advising the JPJ Board on the Company's risk strategy, risk policies and current risk exposures, (ii) overseeing the implementation and maintenance of the overall risk management framework and systems, (iii) reviewing the Company's risk assessment processes and capability to identify and manage new risks and (iv) establishing, reviewing and maintaining procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Corporate Governance Code recommends that an audit committee should comprise of at least three or, in the case of companies below the FTSE350, at least two members who should all be independent non-executive directors, and that at least one member should have recent and relevant financial experience. The Corporate Governance Code also recommends that the audit committee as a whole should have competence relevant to the sector in which the Company operates.

The membership of the Audit and Risk Committee comprises three independent non-executive directors (namely, Nigel Brewster, Jim Ryan and Colin Sturgeon), with Keith Laslop able to attend from time to time as an observer. The chairman of the Audit and Risk Committee is Nigel Brewster. Each of the members of the Audit and Risk Committee is considered "independent" and "financially literate" within the meaning of applicable Canadian securities laws.

The Audit and Risk Committee meets formally at least four times a year and otherwise as required.

Conflicts Committee

The Conflicts Committee assists the JPJ Board in discharging its responsibilities relating to the management of any actual, potential or perceived conflicts. Upon referral to it of a transaction or arrangement, the Conflicts Committee is responsible for considering the actual, potential or perceived conflicts that arise from such transaction or arrangement and how best any such conflict may be appropriately mitigated.

The membership of the Conflicts Committee comprises Neil Goulden, Colin Sturgeon, Nigel Brewster, Jim Ryan and Andria Vidler. The chairman of the Conflicts Committee is Neil Goulden. The Conflicts Committee comprises not less than three JPJ Directors, to be selected by the JPJ Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Conflicts Committee. The Conflicts Committee shall comprise only JPJ Directors who are free from any actual, potential or perceived conflict of interest in respect of the matter in question as determined by the Nomination Committee (or such members thereof who themselves are free from any actual, potential or perceived conflict in respect of the matter in question).

The Conflicts Committee meets as required.

PART 5: OPERATING AND FINANCIAL REVIEW OF THE JPJ GROUP

This "Part 5: Operating and Financial Review of the JPJ Group" should be read in conjunction with "Presentation of Financial and Other Information", "Part 2: Information on the JPJ Group" and "Part 7: Historical Financial Information of the JPJ Group" of this document. The financial information included and incorporated by reference into this "Part 5: Operating and Financial Review of the JPJ Group" has been extracted without material adjustment from (i) JPJ's Q1 2019 Results, (ii) JPJ's Annual Report and Accounts 2017, and (ii) JPJ's Annual Report and Accounts 2018.

Some of the information contained in this "Part 5: Operating and Financial Review of the JPJ Group", including information in respect of JPJ's plans and strategies for its business and expected sources of financing, contains certain forward-looking statements that reflect the JPJ Group's plans, estimates and belief and that may involve risks and uncertainties. The JPJ Group's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such risks, uncertainties and/or differences include, but are not limited to, those discussed below and elsewhere in this document, including under "Risk Factors" and "Presentation of Financial and Other Information".

1. RESULTS OF OPERATIONS

The tables below set out the sections of JPJ's Q1 2019 Results, JPJ's Annual Report and Accounts 2017 and JPJ's Annual Report and Accounts 2018 which contain information in respect of JPJ's operating and financial review and which are incorporated by reference into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for JPJ Shareholders or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

Results of operations for the three months ended 31 March 2019 against the three months ended 31 March 2018

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Key performance indicators*"	JPJ's Q1 2019 Results	9
Financial Performance	(i) All text and tables under the headings "*Financial Summary*" and "*Financial highlights for first quarter*"	JPJ's Q1 2019 Results	1
	(ii) All text and tables under the heading "*Financial Review*"		6-7
	(iii) Note 5—Segment information		17
Operating Results	All text and tables under the heading "*Operational Highlights*"	JPJ's Q1 2019 Results	2
Liquidity and Capital Resources	(i) Note 6—Costs and expenses	JPJ's Q1 2019 Results	21
	(ii) Note 7—Interest income/expense		22
	(iii) Note 10—Trade and other receivables		23
	(iv) Note 11—Other long-term receivables		24
	(v) Note 17—Credit facilities		26
	(vi) Note 18—Financial Instruments		27
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Q1 2019 Results	17

Results of operations for the year ended 31 December 2018 against the year ended 31 December 2017

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Key Performance Indicators*"	JPJ's Annual Report and Accounts 2018	18
Financial Performance	(i) All text and tables in the section entitled "*Financial Review*" up to and including the text under the heading "*Dividends*"	JPJ's Annual Report and Accounts 2018	19-25
	(ii) Note 5—Segment information		98-101
Operating Results	All text and tables under the heading "*Operational Review: Jackpotjoy division*"	JPJ's Annual Report and Accounts 2018	14-15
	All text and tables under the heading "*Operational Review: Vera&John division*"		16, 17
Liquidity and Capital Resources	(i) Note 6—Costs and expenses	JPJ's Annual Report and Accounts 2018	101
	(ii) Note 7—Discontinued Operations		102
	(iii) Note 8—Interest income / expense		103
	(iv) Note 11—Trade and other receivables		104
	(v) Note 12—Other long-term receivables and other long-term assets		104
	(vi) Note 18—Credit Facilities		109-110
	(vii) Note 19—Financial Instruments		110-111
Risk Management and Principal Risks and Uncertainties	Principal risks and uncertainties—all text under the headings "*Managing our risks*"	JPJ's Annual Report and Accounts 2018	26-33
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Annual Report and Accounts 2018	92-97
	Note 4—Summary of significant accounting estimates and assumptions	JPJ's Annual Report and Accounts 2018	98

On 31 August 2018, the JPJ Group completed the sale of its social gaming business. The results of this business were included in JPJ's Annual Report and Accounts 2018 as a discontinued operation, separately from continuing operations. Within JPJ's Annual Report and Accounts 2018, the results of operations for the year ended 31 December 2017 were restated correspondingly, and therefore all of the information incorporated by reference into this document as referred to in the table above analyses JPJ's results for the year ended 31 December 2017 on a restated basis. A reconciliation of these restated results of operations for the year ended 31 December 2017 back to JPJ's audited financial information for the year ended 31 December 2017 is included in Note 7 (Discontinued Operations) in JPJ's Annual Report and Accounts 2018 which is incorporated by reference into, and forms part of, this document.

Furthermore, in JPJ's Annual Report and Accounts 2018, the Mandalay Segment was aggregated with the Jackpotjoy Business, and all segmental analysis for the year ended 31 December 2018 and comparative segmental analysis for the year ended 31 December 2017, including the information incorporated by reference into this document as referred to in the table above, was restated on this basis. In contrast, in JPJ's audited financial information for the years ended 31 December 2017 and 31 December 2016, which is incorporated by reference into, and forms part of, this document, the Mandalay Segment is shown separately.

Results of operations for the year ended 31 December 2017 against the year ended 31 December 2016

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Group KPIs*" and "*KPIs*"	JPJ's Annual Report and Accounts 2017	13
Financial Performance	(i) All text and tables in the section entitled "*Financial Review*" up to and including the text under the heading "*Dividends*"	JPJ's Annual Report and Accounts 2017	26-33
	(ii) Note 5—Segment information		94-96
Operating Results	All text under the heading "*Outlook*"	JPJ's Annual Report and Accounts 2017	12, 15, 17, 19
Liquidity and Capital Resources	(i) Note 6—Costs and expenses	JPJ's Annual Report and Accounts 2017	96
	(ii) Note 7—Interest income/expense		97

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
	(iii) Note 10—Trade and other receivables	JPJ's Annual Report and Accounts 2017	98
	(iv) Note 11—Other long-term receivables and other long-term assets		99
	(v) Note 17—Credit facilities		104
	(vi) Note 18—Financial Instruments		105-107
Risk Management and Principal Risks and Uncertainties	Principal risks and uncertainties—all text under the headings "*Managing our risks*"	JPJ's Annual Report and Accounts 2017	20-25
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Annual Report and Accounts 2017	87-92
	Note 4—Summary of significant accounting estimates and assumptions	JPJ's Annual Report and Accounts 2017	93

2. LIQUIDITY AND CAPITAL RESOURCES

2.1 Overview

The JPJ Group's liquidity requirements arise primarily from its working capital requirements, capital expenditure and operating expenses.

2.2 Capitalisation and Indebtedness

The tables below set out the JPJ Group's unaudited capitalisation and indebtedness as at 31 March 2019 and has been extracted without material adjustment from JPJ's Q1 2019 Results.

These following tables should be read together with "*Part 5: Operating and Financial Review of the JPJ Group*", "*Part 7: Historical Financial Information of the JPJ Group*", "*Part 9: Unaudited Pro Forma Financial Information*" and "*Part 11: Additional Information*".

Gross indebtedness

	31 March 2019 (unaudited)
	£000's
Total current debt (excluding non-current portion of the long-term debt)	
Secured	(85)
Total current debt	**(85)**
Total non-current debt (excluding current portion of the long-term debt)	
Secured	(366,495)
Unsecured and unguaranteed	-
Total non-current debt	**(366,495)**

Capitalisation

	31 March 2019 (unaudited)
	£000's
Share capital	7,445
Legal reserve(1)	2,738
Other reserves(2)	(6,111)
	4,072

(1) Comprises the share premium reserve
(2) Comprises the merger reserve

Capitalisation does not include the share-based payment reserve, the translation reserve, the hedge reserve or the retained earnings.

The following table sets out the net consolidated financial indebtedness of the JPJ Group as at 31 March 2019.

Net indebtedness

	31 March 2019 (unaudited)
	£000's
Cash[1]	106,146
Total liquidity	**106,146**
Total current debt	(85)
Net current financial liquidity	**106,061**
Non-current debt	(366,495)
Non-current financial indebtedness	**(366,495)**
Net financial indebtedness	**(260,434)**

(1) This balance excludes restricted cash of £9.5 million.

The JPJ Group also has contingent consideration not reflected in the analysis above with a fair value £5.0 million at its most recent valuation date of 31 March 2019. Contingent consideration is capped at £10.0 million.

3. CURRENT TRADING AND PROSPECTS

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 JPJ 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 Directors' optimism in being able to deliver double digit earnings accretion from the Enlarged Group in FY2020. Greater operational control through proprietary technology, diversification of the JPJ Group'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.

PART 6: OPERATING AND FINANCIAL REVIEW OF THE TARGET BUSINESS

The following discussion of the Target Business's financial condition and results of operations should be read in conjunction with the historical financial information on the Target Business and the notes related thereto set out in "Part 8: Historical Financial Information of the Target Business" and the information relating to the business of the Target Business contained elsewhere in this document. Except as otherwise stated, the financial information included in this "Part 6: Operating and Financial Review of the Target Business" has been extracted without material adjustment from the financial information set out in "Part 8: Historical Financial Information of the Target Business". The historical financial information referred to in this "Part 6: Operating and Financial Review of the Target Business" has been prepared in accordance with IFRS with certain departures and certain carve-out assumptions as explained in "Part 8: Historical Financial Information of the Target Business".

The following discussion contains forward-looking statements. The Target Business's actual results could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this document, particularly in the Parts of this document headed "Risk Factors" and "Presentation of Financial and Other Information".

Unless otherwise specified or the context otherwise requires, all references to "the period under review" in this "Part 6: Operating and Financial Review of the Target Business" are references to the period commencing on the first day of the 12-month period ended 31 March 2016 and ending on the last day of the 9-month period ended 31 December 2018.

1. OVERVIEW

1.1 The Target Business, which currently represents the majority of the Gamesys Group, is a developer of software for, and operator of, real money online gaming websites and apps.

1.2 The Target Business makes available real money online slots, casino, bingo, poker and instant win games to end users via the Target Business Branded Sites, being, in the UK, the websites and apps branded "Virgin Games", "Heart Bingo" and "Monopoly Casino" and in New Jersey, USA the website and app branded "Virgin Casino" (which is facilitated and operated by Tropicana on behalf of the Target Business under the terms of the Tropicana Licence Agreement in reliance upon the permit issued to Tropicana by the DGE).

1.3 The Target Business Branded Sites are powered by the Target Business Technology Platforms; operated and marketed by the in-house Target Business Back Office and the games content available to end users on the Target Business Branded Sites are a combination of the Legacy Gamesys Non-Bingo Games Content, the Target Business Bingo Games Content and third-party games providers or distributors.

1.4 The Target Business also operates the JPJ Branded Sites and provides other support services on behalf of the JPJ Group on a B2B basis under the terms of 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 is also made available on the JPJ Branded Sites under the terms of the Operating Agreement.

1.5 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) required to operate the JPJ Branded Sites and the Target Business Branded Sites will be acquired by the JPJ Group pursuant to the Acquisition.

1.6 The Legacy Gamesys Non-Bingo Games Content, however, will be owned and operated by the Residual Content Business which is not being acquired by the JPJ Group pursuant to the Acquisition. As such, upon Completion, the Legacy Gamesys Non-Bingo Games Content will be made available to the JPJ Group (including the Target Business) on an arm's-length basis under the terms of the Games Licence Agreements. For more information on the terms of the Games Licence Agreements, see paragraph 16.4 (*Games Licence Agreements*) of "*Part 11: Additional Information*".

1.7 Pursuant to the Tropicana Licence Agreement, the Target Business licenses certain elements of the Target Business Technology Platform and makes available certain elements of the Target Business Back Office on a B2B basis for use by Tropicana in using the same to accept wagers from end users in New Jersey, USA on the Tropicana Site. The Tropicana Site is operated by Tropicana using such software and services. Certain of the Legacy Gamesys Non-Bingo Games Content and the Target Business Bingo Games Content are made available on the Tropicana Site pursuant to the Tropicana Licence Agreement.

1.8 Online gaming and gambling are both highly regulated industries. The Target Business has been and will continue to be subject to applicable laws and tax regimes in the jurisdictions in which certain of its assets, infrastructure and employees are located. The operating results of the Target Business set out below and in *"Part 8: Historical Financial Information of the Target Business"* have been achieved against this shifting regulatory and tax backdrop.

1.9 For further information on the Target Group's strategy and operations, see "*Part 3: Information on the Target Business*" of this document.

2. KEY PERFORMANCE INDICATORS

2.1 The following table sets out a summary of KPIs for the Target Business Branded Sites, being Virgin Games, Heart Bingo, Monopoly Casino and Virgin Casino, for the period under review.

		12 months ended			**9 months ended**	
	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 the JPJ Group and are defined in "*Presentation of Financial and Other Information."*

Note that TB Average Active Customers per Month shown in the KPIs exhibit above exclude Tropicana Atlantic City.

3. MATERIAL FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Target Business's results of operations and financial condition have been, and are expected to continue to be, affected by the factors set out below. For a discussion of factors that may adversely affect the Target Business's results of operations and financial condition, please also see "*Risk Factors*".

3.1 The nature of the online gaming market industry

The online gaming market industry has been and continues to be a volatile industry, which is sensitive to economic conditions. The Target Business may be affected by unfavourable economic conditions in the UK in particular, given the large percentage of its revenue derived from the UK.

In addition, the online gambling and gaming industries are highly competitive. Online and offline advertising is also widespread, with operators competing for affiliates and customers who are attracted by sign-up bonuses and other incentives.

Existing and new competitors may also increase marketing spending, including to unprofitable levels, in an attempt to distort the online gambling market to build market share quickly. Some of the Target Business's competitors have or will have significantly greater financial, technical, marketing and sales resources and may be able to respond more quickly to changes in customer needs. Additionally, these competitors may be able to devote greater resources to the enhancement, promotion and sale of their games and gaming systems. The Target Business's future success is dependent upon its ability to retain its current customers and to acquire new customers.

In addition to its known current competitors, traditional land-based casino operators and other entities, many of whom have significant financial resources, an entrenched position in markets and name-brand recognition, may enter the online gaming and gambling markets in the future and thereby become new competitors for the Target Business.

Players also face a vast array of entertainment choices. Other forms of entertainment, such as offline, traditional online, personal computer and console games, television, movies, sports and the internet, are much larger and more well-established markets and may be perceived by the players of the Target Business's online games to offer greater variety, affordability, interactivity and enjoyment. These other forms of entertainment compete for the discretionary time and income of the Target Business's player base. If the Target Business is unable to sustain sufficient interest in its games compared with other forms of entertainment, its business model may no longer be viable.

3.2 **Marketing and maintenance of brand and games awareness**

In order to acquire and retain customers, the Target Business invests significantly in the development and marketing of its brands and websites/apps. If the Target Business is unable to develop, maintain and enhance the profits of its brands and games, its ability to attract new customers or retain existing customers and to implement its strategic goals may be adversely affected. In addition, increased competition may require more management time and resource and greater levels of expenditure to develop, maintain and enhance the profile of the Target Business's brands and games.

Moreover, the Target Business relies on the know-how and resources of third-party service providers when undertaking its marketing and branding activities. In addition, existing or future competitors may have access to greater resources to invest in their respective marketing campaigns and industry or market-wide trends towards higher marketing costs and expenditures may impact net income and profit margins.

The Target Business uses personal data relating to its customers for the purposes of marketing to those customers. The third-party service providers used by the Target Business may also process the personal data of players for marketing purposes. Since the GDPR came into force in all EU member states on 25 May 2018, the Target Business has been subject to the GDPR, which imposed constraints on the ability of data controllers to profile customers. The GDPR has changed the method by which the Target Business has been, and will continue to be, able to obtain customer consent for the purposes of sending direct marketing messages to customers, which could lead to an increase in the number of customers who opt out of receiving marketing messages. The GDPR may also adversely affect the Target Business's ability to send marketing messages to dormant players.

3.3 **Regulatory environment**

Online gaming and gambling is a highly regulated industry. The Target Business has been and will continue to be subject to applicable laws in the jurisdictions in which certain of its assets, infrastructure and employees are located.

In particular, currently regulated jurisdictions may retrench or augment their existing gaming and gambling regulation (and applicable laws and regulations more generally) in a disadvantageous way to the Target Business and its operations, or currently unregulated jurisdictions in which the Target Business operates or may seek to operate could introduce regulation in the future.

The changing regulatory landscape within jurisdictions in which the Target Business operates or may seek to operate (or from where the Target Business derives, or may seek to derive revenue), as well as the differences in regulation from jurisdiction to jurisdiction, may result in significant uncertainty and increased competition, impact business in current markets and prospects in new markets and have a material adverse effect on the Target Business and its operating results and financial condition by restricting the Target Business's local marketing activities or requiring the target Business to cease accepting customers from such jurisdictions entirely.

There is a risk that existing gambling regulations in jurisdictions which currently permit regulated gambling could be amended or become more onerous. For example, in a speech at the Institute for Public Policy Research in London in February 2019, Tom Watson, deputy leader of the opposition in the UK and Shadow Secretary of State for Digital, Culture, Media and Sport, called for limits on spend, stake and speed of play in online gambling in order to safeguard customers, similar to those currently in place in respect of gambling machines in physical premises, following the Labour party's year-long review of the UK's gambling regulations. Should the Labour party be elected in a future election in the UK, it is Labour's policy to create a new category within the 2005 Gambling Act (the UK's current main gambling statute) placing specific restrictions on online gambling, including limits to spend, limits on speed of play and applying appropriate stake limits to different products.

3.4 Tax environment

The Target Business is subject to income and other taxes in a number of jurisdictions including Gibraltar, Malta, Estonia, the USA (New Jersey) and the UK. The income tax obligations of the Target Business are based in part on its corporate operating structure and intercompany arrangements, including the manner in which it develops, values and uses its intellectual property and the valuations of its intercompany transactions, as well as its operations in online gaming. The Target Business's tax calculations involve estimates in several areas including, but not limited to, transfer pricing. In the future, the Target Business's effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in tax treaties and changes in tax laws. In addition, the determination of the Target Business's worldwide provision for income taxes and other tax liabilities requires significant judgement by management.

The Target Business's future income taxes could be adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of the Target Business's deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles, or as a result of taxes in new jurisdictions where it does not currently operate but may in the future as a result of licensure, approval or otherwise. In particular, tax changes relating to "place of service" and "point of consumption" regimes in online industries, such as the 15 per cent. point of consumption tax introduced in the UK in 2014. In addition, effective 1 August 2017, the UK further expanded the tax base for RGD to include the full value of any offers to gamble at a reduced or zero cost used by customers, including free games, introductory bonuses and matched deposits given to UK customers. Furthermore, effective 1 April 2019, the rate of RGD increased from 15 per cent. to 21 per cent.

Legislation to reduce the UK mainstream rate of corporation tax from 20 per cent. to 19 per cent. from 1 April 2017 and from 19 per cent. to 18 per cent. from 1 April 2020 was included in the Finance Act 2015. A subsequent reduction in the rate to 17 per cent., effective from 1 April 2020, was announced in the 2016 budget and was substantively enacted on 6 September 2016. The deferred tax assets and liabilities have been recorded at 17 per cent., which is the rate that is expected to apply when the deferred tax assets are recovered and the deferred tax liabilities are settled.

4. DESCRIPTION OF KEY LINE ITEMS IN THE COMBINED INCOME STATEMENT

4.1 Presentation of financial information

The following discussion contains references to financial information which has been extracted without material adjustment from the audited financial information contained in "*Part 8: Historical Financial Information of the Target Business*". Please see this section of the document for details on the basis of preparation of the audited financial information for the Target Business.

4.2 Revenue

The Target Business comprises two operating segments: Real Money Gaming and Support Services.

Real Money Gaming

This segment is involved in the development and operation of online instant win, casino and bingo games and accounts for the largest proportion of the Target Business's revenue.

Revenue from real money gaming consists of the difference between total amounts wagered by players less all winnings payable to players, bonuses allocated and jackpot contributions. Players transact with the Target Group's businesses under agreed terms, which form the basis for the contractual arrangement.

Support Services

This segment is involved in providing software and other support services to the JPJ Group.

Revenue from support service contracts is recognised at the point in time when the service is delivered.

4.3 Distribution costs

Distribution costs comprise the costs of gaming tax, including gaming duties, as well as marketing costs, brand licence fees, third-party game licence fees and payment processing fees.

4.4 **Administrative expenses**

Administrative costs primarily comprise payroll, contractor, other employment, technical and property costs as well as professional fees.

4.5 **Other income**

Other income comprises the non-compete payments payable by the JPJ Group in relation to the historic extension of the non-compete agreement. Please see further details in paragraph 16.13 (*Jackpotjoy SPA*) in "*Part 11: Additional Information*".

4.6 **Discontinued operations**

Discontinued operations comprise profits received or receivable as part of the Jackpotjoy Acquisition by the JPJ Group and operations discontinued as part of that. Please see further details on the nature of the Target Business's discontinued operations in "*Part 3: Information on the Target Business*" and "*Part 8: Historical Financial Information of the Target Business*".

4.7 **Current tax and deferred tax**

Tax consists of provisions made for current and deferred tax which includes the benefit of losses and certain group relief in respect of operations and entities that are part of Gamesys but do not form part of the Target Group.

The current income tax charge has been calculated on the basis of tax rates and laws that were enacted by the relevant reporting dates in the countries where the Target Business's subsidiaries operate and generate taxable income.

Please see further details on the computation of tax charges in "*Part 8: Historical Financial Information of the Target Business*".

4.8 **Amortisation and depreciation**

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite useful lives, this expense is taken to the combined income statement through amortisation. Useful lives are reviewed on an annual basis.

Capitalised costs of acquired computer software licence costs are amortised on a straight-line basis over their estimated useful lives. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment. Depreciation is provided on a straight-line basis on all property, plant and equipment, with the exception of freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for any amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs to sell) and its value in use.

The amortisation and depreciation expense is included within the administrative expenses in the consolidated statement of comprehensive income.

4.9 **EBITDA**

EBITDA is continuing income before net interest expense, current and deferred tax, amortisation and depreciation. EBITDA includes "other income", the non-compete payments payable by the JPJ Group. While this measure is not recognised by IFRS, the Target Business management believes that it is a meaningful indicator of the Target Business's underlying financial performance.

4.10 Adjusted EBITDA

Adjusted EBITDA, as defined by the Target Business, is income before interest expense (net of interest income), income taxes, amortisation and depreciation, share-based compensation, fair value adjustments on contingent consideration, transaction-related costs (including employee bonuses), foreign exchange, and gain on sale of intangible assets.

4.11 Adjusted Net Income

Adjusted Net Income, as defined by the Target Business, is calculated by adjusting net income for accretion on financial liabilities, amortisation of acquisition-related purchase price intangibles, share-based compensation, fair value adjustments on contingent consideration, transaction-related costs (including employee bonuses), foreign exchange gain/(loss) substantially arising on the Target Business's credit facilities, and gain on sale of intangible assets.

5. OPERATING RESULTS

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

	12 months ended 31 March			9 months ended 31 December	
	2016	2017	2018	2017	2018
	(audited)	(audited)	(audited)	(unaudited)	(audited)
			(£ 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
	(audited)	(audited)	(audited)	(unaudited)	(audited)
			(£ 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-compete	-	-	(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 (audited)	31-Mar-17 (audited)	31-Mar-18 (audited)	31-Dec-17 (unaudited)	31-Dec-18 (audited)
			(£ 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	**16.7**	**18.7**	**44.9**	**35.6**	**39.8**

5.2 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 (unaudited)	31-Dec-18 (audited)	31-Dec-17 (unaudited)	31-Dec-18 (audited)
			(£ 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	**198.8**	**223.1**	**30.8**	**43.5**

* 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

Revenue for the Target Business increased to £223.1 million during the 9 months ended 31 December 2018, from £198.8 million during the 9 months ended 31 December 2017. The increase in Real Money Gaming revenue was underpinned by strong growth in the Heart Bingo, Virgin Games and Monopoly Casino brands. The increase in Support Services revenue is primarily the result of the performance of the JPJ Branded Sites operated by the Target Business.

Distribution costs increased from £120.2 million for the 9 months ended 31 December 2017 to £126.6 million for the 9 months ended 31 December 2018 mainly from increases in gaming taxes in the UK.

Administrative expenses for the Target Business increased by 11 per cent. to £53.3 million for the 9 months ended 31 December 2018 from £48.1 million for the 9 months ended 31 December 2017. This increase was primarily due to additional payroll and technical operational costs to support the development and growth of the Target Business Branded Sites as well as inflation.

Income before taxes (excluding other income) increased by 41 per cent. to £43.5 million for the 9 months ended 31 December 2018 from £30.8 million for the 9 months ended 31 December 2017 with income before taxes (excluding other income) margin increasing to 19.4 per cent. for the 9 months ended 31 December 2018 from 15.4 per cent. for the 9 months ended 31 December 2017.

Current tax increased to a charge of £7.9 million for the 9 months ended 31 December 2018 from a charge of £1.8 million for the 9 months ended 31 December 2017. This increase was primarily due to increased profits during 9 months ended 31 December 2018 and capital gains tax payable on contingent consideration received from the JPJ Group in June 2018. Deferred tax decreased to a credit of £4.1 million for the 9 months ended 31 December 2018 from a credit of £6.5 million for the 9 months ended 31 December 2017.

5.3 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 (audited)	31-Mar-18 (audited)	31-Mar-17 (audited)	31-Mar-18 (audited)
		(£ 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	**191.3**	**272.2**	**14.6**	**43.3**

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

Revenue for the Target Business increased to £272.2 million during the 12 months ended 31 March 2018, from £191.3 million during the 12 months ended 31 March 2017. Revenue from Real Money Gaming increased 63.3 per cent. over the period as a result of the significant revenue growth experienced by Virgin Games, Heart Bingo and Monopoly Casino during the 12 months ended 31 March 2018 as a result of strong acquisition performance and successful customer retention strategies. The increase in Support Services revenue is primarily a result of the performance of the JPJ Branded Sites operated by the Target Business as well as inflation.

Distribution costs increased from £117.6 million for the 12 months ended 31 March 2017 to £162.0 million for the 12 months ended 31 March 2018 due mainly to increases in gaming taxes, third-party brand and game licence fees, payment processor fees and marketing costs for acquiring new players in the UK.

Administrative expenses for the Target Business increased by 11.5 per cent. to £67.2 million for the 12 months ended 31 March 2018 from £60.2 million for the 12 months ended 31 March 2017. This increase was primarily due to additional payroll, and technical costs to support the development and growth of the Target Business Branded Sites.

Income before taxes has increased by 196 per cent. to £43.3 million for the 12 months ended 31 March 2018 from £14.6 million for the 12 months ended 31 March 2017 with Income before taxes margin increasing to 15.9 per cent. for the 12 months ended 31 March 2018 from 7.6 per cent. for the 12 months ended 31 March 2017.

Other income increased to £12.0 million for the 12 months ended 31 March 2018 from nil for the 12 months ended 31 March 2017 as the Target Business began receiving the non-compete payments payable by the JPJ Group in relation to the extension of the non-compete agreement. Please see further details on the nature of the Target Business's discontinued operations in "*Part 3: Information on the Target Business*" and "*Part 8: Historical Financial Information of the Target Business*".

Current tax increased to a charge of £3.0 million for the 12 months ended 31 March 2018 from a charge of £0.5 million for the 12 months ended 31 March 2017. This increase was primarily due to increased profits. The deferred tax decreased to a credit of £1.6 million for the 12 months ended 31 March 2018 from a charge of £3.4 million for the 12 months ended 31 March 2017. This was primarily due to the unwinding of deferred tax on contingent consideration and employee long-term bonuses.

5.4 **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**
	(audited)	**(audited)**	**(audited)**	**(audited)**
	(£ 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	**139.3**	**191.3**	**2.7**	**14.6**

Revenue for the Target Business increased to £191.3 million during the 12 months ended 31 March 2017 from £139.3 million during the 12 months ended 31 March 2016. Real Money Gaming revenue increased 69.8 per cent. over the period following the successful ramp-up of all Target Business Branded Sites. The increase in Support Services revenue is primarily as a result of the performance of the JPJ Branded Sites operated by the Target Business.

Distribution costs increased by 35.3 per cent. for the 12 months ended 31 March 2017 to £117.6 million, broadly in line with revenue growth of 37.3 per cent. period over period. This was due mainly to increases in gaming taxes, third-party brand and game licence fees, payment processor fees and marketing costs for acquiring new players in the UK.

Administrative expenses for the Target Business increased by 18.5 per cent. to £60.2 million for the 12 months ended 31 March 2017 from £50.8 million for the 12 months ended 31 March 2016. This increase was primarily due to payroll, additional office space and technical operational costs to support the development and growth of the Target Business Branded Sites as well as inflation.

Income before taxes increased by 449 per cent. to £14.6 million for the 12 months ended 31 March 2017 from £2.7 million for the 12 months ended 31 March 2016, with income before taxes margin increasing to 7.6 per cent from 1.9 per cent.

Profit from discontinued operations for the 12 months ended 31 March 2016 comprised proceeds received as part of the Jackpotjoy Acquisition by the JPJ Group and associated discontinued operations. Please see further details on the nature of the Target Business's discontinued operations in "*Part 3: Information on the Target Business*" and "*Part 8: Historical Financial Information of the Target Business*".

Current tax increased to a charge of £0.5 million for the 12 months ended 31 March 2017 from a credit of £0.1 million for the 12 months ended 31 March 2016. This increase was primarily due to an increase in the underlying profitability of the Target Business. Deferred tax increased to a charge of £3.4 million for the 12 months ended 31 March 2017 from a credit of £2.7 million for the 12 months ended 31 March 2016. This increase resulted from an increased deferred tax liability being provided on contingent consideration and employee long-term incentive plans.

6. LIQUIDITY AND CAPITAL RESOURCES

6.1 Overview

The Target Business's principal liquidity needs are to finance operations. The Target Business has historically financed its operations through cash generated from operations. The Target Business regularly monitors its liquidity position, including cash flows and capital expenditure.

6.2 Cash flows

6.2.1 *Net cash flows from operating activities*

The following table sets out the Target Business's net cash flows from operating activities for the period under review.

	12 months ended			9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
	(audited)	(audited)	(audited)	(unaudited)	(audited)
			(£ 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	49.4
Amortisation and depreciation	7.5	6.7	7.5	5.5	6.3
Impairment of tangible assets	-	-	-	-	-
Current tax	(0.1)	0.5	3.0	1.8	7.9
Deferred tax	(2.7)	7.7	0.6	(4.5)	(4.1)
Interest income	(0.7)	(0.7)	(0.5)	(0.3)	(0.4)
(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)	(0.7)
Foreign exchange loss/(gain)	0.3	0.4	(0.2)	(0.1)	(0.1)
	11.3	**21.1**	**62.1**	**44.9**	**58.2**
Change in non-cash operating items					
Trade and other receivables	3.4	(3.2)	(4.8)	5.8	(1.4)
Accounts payable and accrued liabilities	6.6	12.7	(3.7)	(2.0)	(7.2)
Provisions	-	-	0.7	-	-
Net cash inflow from operating activities	**21.2**	**30.6**	**54.3**	**48.7**	**49.7**

Net cash inflows from operating activities increased by £1.0 million in 9 months ended 31 December 2018 from £48.7 million for the 9 months ended 31 December 2017. This increase was primarily due to an increase in profitability after adjustment for movement on the contingent consideration.

Net cash inflow from operating activities increased by 77.8 per cent. to £54.3 million for the 12 months ended 31 March 2018 from £30.6 million for the 12 months ended 31 March 2017. This increase was primarily due to an increase in profit for the period before taxes from continuing operations.

Net cash inflow from operating activities increased by 44.2 per cent. to £30.6 million for the 12 months ended 31 March 2017 from £21.2 million for the 12 months ended 31 March 2016.

This increase was primarily due to an increase in profit for the period before taxes from continuing operations.

6.2.2 ***Net cash flows from investing activities***

The following table sets out the Target Business's net cash flows from investing activities for the period under review.

	12 months ended			9 months ended	
	31-Mar-16	**31-Mar-17**	**31-Mar-18**	**31-Dec-17**	**31-Dec-18**
	(audited)	**(audited)**	**(audited)**	**(unaudited)**	**(audited)**
			(£ 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 intercompany	-	-	(58.8)	(58.8)	-
Net cash inflow from investing activities	**365.3**	**140.2**	**25.1**	**26.3**	**58.4**

Net cash inflow from investing activities for the 9 months ended 31 December 2018 was £58.4 million and £26.3 million for the 9 months ended 31 December 2017. Net cash inflow from investing activities for the 12 months ended 31 March 2018 was £25.1 million, £140.2 million for the 12 months ended 31 March 2017 and £365.3 million for the 12 months ended 31 March 2016.

The primary driver of the net cash inflow from investing activities related to the sale of business operations which comprised proceeds and earn-out payments received from the JPJ Group in relation to the Jackpotjoy Acquisition received during the 12 months ended 31 March 2016, 2017 and 2018. The net cash inflow from investing activities was partly offset by a loan to a non-Target Business Subsidiary in the 12 months ended 31 March 2018.

6.2.3 ***Net cash flows from financing activities***

The following table sets out the Target Business's net cash flows from financing activities for the period under review.

	12 months ended			9 months ended	
	31-Mar-16	**31-Mar-17**	**31-Mar-18**	**31-Dec-17**	**31-Dec-18**
	(audited)	**(audited)**	**(audited)**	**(unaudited)**	**(audited)**
			(£ 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	**(348.9)**	**(90.8)**	**(173.7)**	**(178.3)**	**(86.9)**

Net cash outflow from financing activities primarily represents cash movements in relation to share repurchases undertaken by the Gamesys Group as a result of returning capital to Gamesys shareholders pursuant to proceeds and earn-out payments received from the Jackpotjoy Acquisition.

6.3 **Financial condition**

The following table summarises the Target Business's audited assets and liabilities at 31 March 2018 and 31 December 2018. The figures set out have been extracted without material adjustment from the Target Business's audited historical financial information.

	31-Mar-18 (audited)	31-Dec-18 (audited)	Variance 31-Dec-18 vs. 31-Mar-18
		(£ 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)**

The £51.1 million decrease in current assets (excluding the cash movement of £18.4 million) from 31 March 2018 to 31 December 2018 largely relates to a £63.5 million earn-out payment that was received from the JPJ Group in the Jackpotjoy Acquisition.

As at 31 December 2018, the Target Business held cash and cash equivalents of £134.2 million and invested capital attributable to equity holders of £182.1 million. As at 31 March 2018, these figures were £115.8 million and £215.7 million, respectively.

As at 31 December 2018, cash and cash equivalents (which includes balances held with payment processors) comprised £125.5 million of cash at bank and in hand and £8.7 million of customer balances held in trust.

The decrease in non-current assets of £3.5 million from 31 March 2018 to 31 December 2018 relates to:

- A £1.4 million increase in the deferred tax asset;
- A decrease on other long-term receivables of £4.2 million, this balance being current as at 31 December 2018;
- A decrease of £1.0 million in the net book value of tangible fixed assets; and
- An increase of £0.3 million in the net book value of intangible fixed assets.

The decrease in total liabilities of £2.7 million from 31 March 2018 to 31 December 2018 largely relates to the following:

- A decrease of £11.9 million related to the 2016 to 2018 employee profit share plan pay-outs of the Gamesys 2008 long-term incentive plan and an executive incentive plan triggered by the completion of the Jackpotjoy Acquisition;
- A £7.2 million increase in provision for corporation taxes payable;

- A £4.3 million increase in accounts payable and accrued liabilities; and
- A £2.7 million decrease in the deferred tax liability.

6.4 As at 31 December 2018, the Target Business did not have any loans, borrowings, finance leases or liabilities that may be considered to be debt. Therefore, as at 31 December 2018, the Target Business had £134.2 million of net cash, which is entirely comprised of cash held on balance sheet and with payment processors. As at 31 March 2018, the Target Business had £115.8 million of net cash.

7. CURRENT TRADING AND PROSPECTS

Target Business trading in the first quarter of 2019 was marginally higher than in the same period in the prior year. The Target Business management believe that the Target Business is well placed to deliver continued growth by leveraging its operating expertise, technology platform and recognised brand portfolio.

PART 7: HISTORICAL FINANCIAL INFORMATION OF THE JPJ GROUP

Information incorporated by reference

The tables below set out the various sections of (i) JPJ's Q1 2019 Results; (ii) JPJ's Annual Report and Accounts 2018; and (iii) JPJ's Transfer Announcement, which are incorporated by reference into, and form part of, this document so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of JPJ's Q1 2019 Results, JPJ's Annual Report and Accounts 2018 and JPJ's Transfer Announcement identified in the tables below are incorporated into, and form part of, this document.

The parts of JPJ's Q1 2019 Results, JPJ's Annual Report and Accounts 2018 and JPJ's Transfer Announcement which are not incorporated by reference are either not relevant for shareholders or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

JPJ Group financial information for the three months ended 31 March 2019

Information incorporated by reference into this document	Reference document	Page number in reference document
Independent Review Report to JPJ Group plc	JPJ's Q1 2019 Results	10-11
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income	JPJ's Q1 2019 Results	12
Unaudited Interim Condensed Consolidated Balance Sheets	JPJ's Q1 2019 Results	13
Unaudited Interim Condensed Statements of Changes in Equity	JPJ's Q1 2019 Results	14
Unaudited Interim Condensed Consolidated Statements of Cash Flows	JPJ's Q1 2019 Results	15
Supplementary Notes for the Three Months Ended 31 March 2019	JPJ's Q1 2019 Results	16-29

JPJ Group financial information for the year ended 31 December 2018

Information incorporated by reference into this document	Reference document	Page number in reference document
Independent Auditor's Report	JPJ's Annual Report and Accounts 2018	78-82
Consolidated Statement of Comprehensive Income	JPJ's Annual Report and Accounts 2018	83
Consolidated Balance Sheet	JPJ's Annual Report and Accounts 2018	84
Consolidated Statement of Changes in Equity	JPJ's Annual Report and Accounts 2018	85
Consolidated Statement of Cash Flows	JPJ's Annual Report and Accounts 2018	86
Notes to the Consolidated Historical Financial Information	JPJ's Annual Report and Accounts 2018	90-117

JPJ Group financial information for the years ended 31 December 2017 and 31 December 2016

Information incorporated by reference into this document	Reference document	Page number in reference document
BDO Report on the Consolidated Financial Information of the Group for the two years ended 31 December 2017	JPJ's Transfer Announcement	6-7
Consolidated Statement of Comprehensive Income	JPJ's Transfer Announcement	8-9
Consolidated Balance Sheet	JPJ's Transfer Announcement	9-10
Consolidated Statement of Changes in Equity	JPJ's Transfer Announcement	10-11
Consolidated Statement of Cash Flows	JPJ's Transfer Announcement	11-13
Notes to the Consolidated Historical Financial Information	JPJ's Transfer Announcement	13-46

PART 8: HISTORICAL FINANCIAL INFORMATION OF THE TARGET BUSINESS

SECTION A: BDO REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE TARGET BUSINESS

BDO

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors and Proposed Directors
JPJ Group plc
35 Great St. Helen's
London, EC3A 6AP
United Kingdom

27 June 2019

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Dear Sir or Madam

The Target Business

Introduction

We report on the financial information set out in Section B of Part 8. This financial information has been prepared for inclusion in the combined circular and prospectus dated 27 June 2019 of JPJ Group plc (the "**Combined Document**") on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 13.5.21R of the listing rules made by the Financial Conduct Authority for the purposes of part VI of the Financial Services and Markets Act 2000 (the "**Listing Rules**") and item 20.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the "**PD Regulation**") and is given for the purpose of complying with those items and for no other purpose. We have not audited or reviewed the financial information for the 9 months ended 31 December 2017, which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of JPJ Group plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules and item 23.1 of annex I of the PD Regulation, consenting to its inclusion in the Combined Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Combined Document, a true and fair view of the state of affairs of the Target Business as at 31 March 2016, 31 March 2017, 31 March 2018 and 31 December 2018 and of its results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual consolidated accounts.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Combined Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Combined Document in compliance with item 1.2 of annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B: HISTORICAL FINANCIAL INFORMATION OF THE TARGET BUSINESS

Consolidated statements of comprehensive income for the three years ended 31 March 2018 and the nine months ended 31 December 2018

	Note	Year ended			9 months ended	
		31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
			(audited)		(unaudited)	(audited)
				(£000s)		
Revenue	5					
Gaming revenue		58,914	99,977	163,305	118,409	139,659
Support service revenue		80,425	91,325	108,894	80,345	83,422
Total revenue		**139,339**	**191,302**	**272,199**	**198,754**	**223,081**
Costs and expenses						
Distribution costs		86,883	117,552	162,038	120,216	126,606
Administrative expenses		50,810	60,238	67,172	48,060	53,310
Foreign exchange (gain) / loss		(326)	(410)	188	62	114
Total costs and expenses		**137,367**	**177,380**	**229,398**	**168,338**	**180,030**
Other income	9	-	-	12,000	9,000	9,000
Interest income	9	691	688	454	346	427
		691	**688**	**12,454**	**9,346**	**9,427**
Net profit for the period / year before taxes		**2,663**	**14,609**	**55,254**	**39,762**	**52,478**
Current tax	10	60	(544)	(2,954)	(1,837)	(7,918)
Deferred tax	10	2,691	(3,358)	1,637	6,540	4,104
Net profit for the period / year from continuing operations		**5,414**	**10,708**	**53,938**	**44,465**	**48,664**
Discontinued operations	11	712,469	28,840	6,401	5,800	701
Total profit for the period / year		**717,883**	**39,548**	**60,339**	**50,265**	**49,365**
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		152	369	(318)	(229)	76
Total comprehensive income attributable to owners of the parent		**718,035**	**39,917**	**60,021**	**50,036**	**49,441**

Consolidated statements of financial position as at 31 March 2016, 31 March 2017, 31 March 2018 and 31 December 2018

	Note	Year ended			9 months ended
		31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(audited)			
		(£000s)			
ASSETS					
Current assets					
Cash		129,258	211,078	115,828	134,152
Trade and other receivables	16	11,390	128,356	142,804	89,488
Taxes receivable		5,470	2,887	2,154	4,398
Total current assets		**146,118**	**342,321**	**260,786**	**228,038**
Non-current assets					
Tangible assets	12	2,786	5,943	8,241	7,150
Intangible assets	13	6,715	7,326	8,307	8,612
Goodwill	14	7,527	7,655	7,655	7,655
Other long-term receivables	16	270,094	59,795	4,199	-
Deferred tax asset	19	5,564	-	-	1,412
Total non-current assets		**292,686**	**80,719**	**28,402**	**24,829**
Total assets		**438,804**	**423,040**	**289,188**	**252,867**
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	17	51,293	44,351	51,227	55,468
Provision for taxes		889	904	2,323	9,488
Employee benefit liabilities	17	8,222	21,123	14,550	2,655
Provisions	18	-	-	690	690
Total current liabilities		**60,404**	**66,378**	**68,790**	**68,301**
Non-current liabilities					
Employee benefit liabilities	17	13,280	5,950	1,972	2,475
Deferred tax liability	19	-	2,108	2,692	-
Total non-current liabilities		**13,280**	**8,058**	**4,664**	**2,475**
Total liabilities		**73,684**	**74,436**	**73,454**	**70,776**
Equity	20				
Share capital	20	21	20	18	14
Merger reserve		5,348	5,348	5,348	5,348
Share-based payment reserve		222	222	222	222
Capital redemption reserve		3	4	6	10
Foreign exchange reserve		197	566	248	324
Retained earnings		359,329	342,444	209,892	176,173
Total equity		**365,120**	**348,604**	**215,734**	**182,091**
Total liabilities and equity		**438,804**	**423,040**	**289,188**	**252,867**

Consolidated statement of cash flows for the three years ended 31 March 2018 and the nine months ended 31 December 2018

		Year ended			9 months ended	
	Note	**31 March 2016**	**31 March 2017**	**31 March 2018**	**31 December 2017**	**31 December 2018**
			(audited)		**(unaudited)**	**(audited)**
				(£000s)		
Cash flows from operating activities						
Profit for the period / year		717,883	39,548	60,339	50,265	49,365
Add (deduct) items not involving cash						
Amortisation and depreciation	12, 13	7,527	6,730	7,485	5,539	6,286
Current tax	10	(60)	544	2,954	1,837	7,918
Deferred tax	10	(2,691)	7,673	583	(4,528)	(4,104)
Interest income	9	(691)	(688)	(454)	(346)	(427)
(Profit)/loss on sale of tangible assets		5	-	-	-	-
Movement on contingent consideration		(45,791)	(33,155)	(8,621)	(7,812)	(701)
Profit on disposal of business operation		(665,226)	-	-	-	-
Foreign exchange loss/(gain)	6	326	410	(188)	(62)	(114)
		11,282	**21,062**	**62,098**	**44,893**	**58,223**
Change in non-cash operating items						
Trade and other receivables		3,372	(3,196)	(4,772)	5,840	(1,404)
Accounts payable and accrued liabilities		6,559	12,724	(3,674)	(2,018)	(7,152)
Provisions		-	-	690	-	-
Cash provided by operating activities		**21,213**	**30,590**	**54,342**	**48,715**	**49,667**
Income taxes (paid) / received		(1,352)	2,053	(801)	1,223	(2,996)
Total cash provided by operating activities		**19,861**	**32,643**	**53,541**	**49,938**	**46,671**
Financing activities						
Issue of ordinary shares		7	-	-	-	-
Purchase of ordinary shares for cancellation		(321,940)	(45,874)	(161,234)	(161,234)	(56,728)
Deemed distribution		(19,850)	(24,655)	(31,658)	(36,244)	(26,356)
Dividend		(6,032)	-	-	-	-
Loan to shareholder		-	(20,000)	20,000	20,000	-
Restricted cash movements		(1,049)	(315)	(849)	(850)	(3,835)
Total cash used in financing activities		**(348,864)**	**(90,844)**	**(173,741)**	**(178,328)**	**(86,919)**
Investing activities						
Sale of business operations		370,453	150,000	94,218	94,218	63,455
Purchase of tangible assets	12	(1,603)	(5,170)	(4,809)	(5,574)	(1,179)
Purchase of intangible assets	13	(4,277)	(5,285)	(5,959)	(3,890)	(4,319)
Proceeds from sale of tangible assets		-	-	-	-	-
Interest received		691	688	454	346	427
Loans advanced / (repaid) by carved-out group			-	(58,827)	(58,827)	-
Total cash provided by/(used in) investing activities		**365,264**	**140,233**	**25,077**	**26,273**	**58,384**
Net increase (decrease) in cash during the period/year		**36,261**	**82,032**	**(95,123)**	**(102,117)**	**18,136**
Cash, beginning of period / year		93,196	129,258	211,078	211,078	115,828
Exchange (loss) / gain on cash and cash equivalents		(199)	(212)	(127)	4	188
Cash, end of period / year		**129,258**	**211,078**	**115,828**	**108,965**	**134,152**

2016 includes a significant non-cash transaction whereby £70,470,000 was settled in JPJ Shares to shareholders and is included in shares purchased for cancellation in the statement of changes in equity (see note 11 for further details).

2017 also includes a non-cash transaction of £14,096,000 relating to an amount due to a carve-out group entity which was cleared through a dividend. The impact of this does not therefore impact the movement in trade and other payables or the deemed distribution.

Consolidated statement of changes in equity for the year ended 31 March 2016

	Share capital	Merger reserve	Share-based payment reserve	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total equity
				(£000s)			
Balance at 1 April 2015	**17**	**5,348**	**222**	**-**	**45**	**59,738**	**65,370**
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	717,883	717,883
Other comprehensive income	-	-	-	-	152	-	152
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**152**	**717,883**	**718,035**
Contributions by and distributions to shareholders							
Issue of share capital	7	-	-	-	-	-	7
Shares purchased for cancellation	(3)	-	-	3	-	(392,410)	(392,410)
Dividend	-	-	-	-	-	(6,032)	(6,032)
Deemed distribution	-	-	-	-	-	(19,850)	(19,850)
31 March 2016	**21**	**5,348**	**222**	**3**	**197**	**359,329**	**365,120**

Consolidated statement of changes in equity for the year ended 31 March 2017

	Share capital	Merger reserve	Share-based payment reserve	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total equity
				(£000s)			
Balance at 1 April 2016	**21**	**5,348**	**222**	**3**	**197**	**359,329**	**365,120**
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	39,548	39,548
Other comprehensive income	-	-	-	-	369	-	369
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**369**	**39,548**	**39,917**
Contributions by and distributions to shareholders							
Shares purchased for cancellation	(1)	-	-	1	-	(45,874)	(45,874)
Deemed distribution	-	-	-	-	-	(10,559)	(10,559)
31 March 2017	**20**	**5,348**	**222**	**4**	**566**	**342,444**	**348,604**

Consolidated statement of changes in equity for the year ended 31 March 2018

	Share capital	Merger reserve	Share-based payment reserve	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total equity
				(£000s)			
Balance at 1 April 2017	20	5,348	222	4	566	342,444	348,604
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	60,339	60,339
Other comprehensive income	-	-	-	-	(318)	-	(318)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(318)**	**60,339**	**60,021**
Contributions by and distributions to shareholders							
Shares purchased for cancellation	(2)	-	-	2	-	(161,234)	(161,234)
Deemed distribution	-	-	-	-	-	(31,657)	(31,657)
31 March 2018	**18**	**5,348**	**222**	**6**	**248**	**209,892**	**215,734**

Consolidated statement of changes in equity for the nine months ended 31 December 2018

	Share capital	Merger reserve	Share-based payment reserve	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total equity
				(£000s)			
Balance at 1 April 2018	18	5,348	222	6	248	209,892	215,734
Comprehensive income for the period							
Profit for the period	-	-	-	-	-	49,365	49,365
Other comprehensive income	-	-	-	-	76	-	76
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**76**	**49,365**	**49,441**
Contributions by and distributions to shareholders							
Shares purchased for cancellation	(4)	-	-	4	-	(56,728)	(56,728)
Deemed distribution	-	-	-	-	-	(26,356)	(26,356)
31 December 2018	**14**	**5,348**	**222**	**10**	**324**	**176,173**	**182,091**

Notes forming part of the carve-out historical financial information for the three years ended 31 March 2018 and the nine months ended 31 December 2018

1. **Basis of preparation**

The historical financial information for the three years ended 31 March 2018 and the nine months ended 31 December 2018 has been prepared in accordance with the requirements of the PD Regulation, the Listing Rules, and in accordance with this basis of preparation.

The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU) except as described below.

IFRS as adopted by the EU does not provide for the non-consolidation of certain subsidiaries of Gamesys and of certain trade and assets from subsidiaries to be acquired. Accordingly, in preparing the consolidated financial information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the Auditing Practices Board in the United Kingdom have been applied. The application of these conventions results in the following material departures from IFRS as adopted by the EU. In other respects IFRS as adopted by the EU has been applied with an effective date of 1 April 2015.

- The historical financial information is prepared on a consolidated basis which excludes the consolidation of certain subsidiaries of Gamesys and of certain trade and assets from subsidiaries to be acquired and therefore does not comply with the requirements of IFRS 10.
- The consolidated financial information does not therefore constitute a set of general purpose financial statements under paragraph 3 of IAS 1 and consequently there is no explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1.

The detailed basis on which the above departures have been applied is set out below. The other principal accounting policies adopted in the preparation of the carve-out historical financial information are set out in note 2. The policies have been consistently applied to all periods presented, unless otherwise stated. The carve-out historical financial information is presented in Sterling, which is also the Target Business's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The carve-out historical financial information has been prepared in accordance with IFRS as adopted by the EU.

The preparation of historical financial information in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Target Business's accounting policies. The areas where significant judgements and estimates have been made in preparing the carve-out historical financial information and their effect are disclosed in note 3.

Carve-out historical financial information: introduction and basis of accounting

Core business

Gamesys is a company established and domiciled in Jersey and is the ultimate parent company of the Gamesys Group. The principal activity of the Gamesys Group is the development and operation, including provision of support services, of online instant win, casino and bingo games. In connection with the Acquisition, the Target Business Historical Financial Information (or for the purposes of this section the "carve-out historical financial information") has been prepared in respect of the acquired business elements only, i.e. the entirety of the business, assets and liabilities currently comprised within the Gamesys Group, save for the business, assets and liabilities relating to (i) the Residual Sports Business, being the "Virgin Bet" branded sports betting business of the Gamesys Group and the "Livescore" sports data and media business; (ii) 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; (iii) the white label contracts discontinued by the Gamesys

Group and the social betting and gaming businesses disposed of by the Gamesys Group, including both support services and the operation of own brands; and (iv) certain other immaterial subsidiaries of the Gamesys Group. The Target Business Historical Financial Information, therefore, excludes the following subsidiaries of Gamesys, which have been carved out from this historical financial information:

- Iawa Limited;
- Play Malta Limited;
- Livescore Limited;
- Livescore sro;
- Rabbitfoot Games Limited;
- Picca Software GmBh; and
- Mickle Marketing NV.

The remaining subsidiaries that form part of the Target Business are detailed in note 15. Included within these entities are certain trade and assets that are also being carved out (the "carved out business unit") as set out above.

Basis of preparation of the carve-out historical financial information

The preparation of carve-out financial information conforming to IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

At no point in time has the Target Business been a separately established legal group and therefore this carve-out historical financial information has been prepared from the records of entities which contain evidence of transactions entered into by the Target Business and its financial position. Certain assumptions and estimates have been made. In the opinion of management, the accounting estimates and judgements made in the course of preparing this carve-out historical financial information are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

Carve-out historical financial information is generally not precise, since it includes certain amounts based on estimates and judgements. When alternative methods of calculating figures exist, the directors of the Target Business have chosen those methods which it deems most appropriate in the circumstances, in order to ensure that the carve-out historical financial information is presented fairly, in all material respects, in accordance with IFRS.

Criteria applied in preparing the carve-out historical financial information were as follows:

- The assets and liabilities that relate to the Target Business have been included where directly identifiable and on an allocation basis following specific analysis where required; those relating to the carved-out business unit have been excluded;
- Where the legal entity is included within the Target Business the cash balances held within those entities have been included in full with no allocation to the carved-out business unit, with the exception of any payment processor balances relating to the carved out businesses which are directly identifiable and have therefore been excluded;
- Where the legal entity is included within the Target Business, the property plant and equipment that is not directly identifiable to either the Target Business or the carved-out business unit have been included in full with no allocation to the carved-out business unit;
- Where a legal entity included within the Target Business has provided a financial guarantee to an entity being carved-out no expected credit loss has been recorded on the basis that the guarantees will be reassigned prior to the completion of the sale. If this amount had not been carved out, an expected credit loss provision of £30.0 million would have been recorded as a liability in the Target Business statement of financial position with effect from the year ended 31 March 2018 relating to a guarantee given over a liability of Livescore Limited by Gamesys Limited; and

- Income statement revenues and expenditure have been included on the basis that they are either specific to the Target Business or have been allocated based on headcount or revenue, as appropriate, with the remaining revenue and expenditure being carved out. Where profits or losses have been carved out from an entity the taxation charge for the year / period has been adjusted to reflect this.

Below are the financial statement items for which specific attribution criteria were adopted, in addition to that already specified in the general criteria above.

Carve-out statement of comprehensive income

- Revenue: The Target Business revenues relate to real money gaming and to support services. Revenues not relating to the Target Business have been excluded—there is no apportionment required of revenue to the carved-out business unit;

- Cost of sales: Relates to costs including gaming taxes and licence costs specifically incurred in respect of revenue generated from the Target Business operations—there is no apportionment required of cost of sales to the carved-out business unit;

- Distribution and administrative expenses: Not all of the Target Business's operating costs can be directly attributed to the Target Business. Therefore different allocation methodologies have been used as follows:

  - Directly identifiable expenses: Those costs which relate in their totality directly to the Target Business; and

  - Allocated costs: Certain employee, contractor, accommodation, technical, professional and other costs where not directly identifiable to the Target Business have been allocated based on the best estimate by management. The allocation basis used is either headcount, payroll costs or revenue.

- Taxation—where losses relating to the trade of an entity remaining with the Target Business have been carved-out, the entity continues to recognise the tax benefit of those losses in calculating its tax charge. The Target Business also continues to recognise the benefit of any group relief taken in respect of losses of entities that have been carved out in its entirety.

Carve out statement of financial position

All assets and liabilities directly associated with the Target Business have been included in the statement of financial position.

Where assets and liabilities are not directly identifiable, principally being other receivables and other payables, they are apportioned on the same basis used in the statement of comprehensive income.

Where entities have been excluded from the carve-out historical financial information, any inter-company amounts due to or from those entities have been reflected as amounts payable to or from the carve-out group.

Net distribution

The Target Business has reflected a deemed distribution which has been estimated and used as a balancing entry in the statement of financial position for each period presented. For the purposes of the carve-out historical financial information, the cumulative distribution is a balancing entry at the start of the earliest period presented and reflects the cash retained or expended by the Target Business relating to the difference between the carved-out profit / loss and the carved out assets. The directors of the Target Business believe the balances included in the statement of financial position are the most accurate that can be derived given the complexities of carving out balances from an entity.

Basis of measurement

The carve-out historical financial information has been prepared on a historical cost basis, except for the measurement of contingent consideration receivable and corresponding long-term bonus plan which has been recorded at fair value.

Changes in accounting policies

(a) New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the Target Business that have been adopted in the carve-out historical financial information which have given rise to changes in the Target Business's accounting policies are:

- IFRS 9 Financial Instruments (IFRS 9); and
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

The adoption of these new standards has had no impact on the amounts of equity and total comprehensive income previously presented.

(b) New standards, interpretations and amendments not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board ("**IASB**") that are effective in future accounting periods and that the Target Business has decided not to adopt early. The most significant of these is IFRS 16 *Leases,* which is mandatorily effective for periods beginning on or after 1 April 2019. The Target Business does not currently expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Target Business.

Adoption of IFRS 16 will result in the Target Business recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Target Business does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis, disclosing in its annual financial statements the total commitment.

The Target Business will be required to apply IFRS 16 from 1 January 2019. Upon transition to IFRS 16, the Target Business currently intends to apply the modified retrospective approach and therefore will only recognise leases on balance sheet as at 1 January 2019, measuring right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure that there is no immediate impact on net assets at that date. Instead of recognising an operating expense for its operating lease payments, the Target Business will recognise interest on its lease liabilities and amortisation on its right-of-use assets of approximately £8.5 million. Reported EBITDA will increase by up to the amount of the current operating lease cost of approximately £3.9 million.

2. Accounting policies

Revenue

Revenue from real money gaming consists of the difference between total amounts wagered by players less all winnings payable to players, bonuses allocated and jackpot contributions. Players transact with the Target Business's businesses under agreed terms, which forms the basis for the contractual arrangement. The Target Business does not consider that there are any significant judgements required in applying IFRS 15 to these arrangements.

Net gaming revenue is recognised upon satisfaction of the Target Business's performance obligation to the customer, which is the point in time when the customer completes one of the games offered by the Target Business and the outcome of the game is honoured with the appropriate payout being made.

There is no significant degree of uncertainty involved in quantifying the amount of net gaming revenue earned, including bonuses, jackpot contributions and loyalty points. Bonuses, jackpot contributions and loyalty points are measured at face value when credited to the player's account.

Revenue from support service contracts with customers contain a single performance obligation which is the delivery of services in respect of online gaming activities. Revenue is recognised on a point in time basis as the service is delivered. The Target Business acts as principal on all revenues generated from support services.

Other income

Other income relates to the amounts received for extension of a non-compete agreement. The income is recognised on a straight-line basis over the period of non-compete.

Basis of consolidation

The carve-out historical financial information incorporates the financial information of Gamesys and entities controlled by Gamesys (save as for those matters carved out). Gamesys acquired Gamesys Limited and its subsidiaries in December 2014 via a share for share exchange. The combination of businesses achieved through a Target Business restructuring falls outside the scope of IFRS 3 Business Combinations. Accordingly, following the guidance regarding the selection of an appropriate accounting policy provided by IAS 8 Accounting policies: Changes in accounting estimates and errors, this historical financial information has been prepared using the principles of merger accounting set out in FRS 6 Acquisitions and Mergers and UK Generally Accepted Accounting Practice ("**UK GAAP**"). When merger accounting is applied, the investment is recorded in Gamesys' balance sheet at the nominal value of share issued together with the fair value of any consideration paid. In the carve-out historical financial information, merged subsidiary undertakings are treated as if they had always been a member of the Target Business. Any differences between the nominal value of the share acquired by Gamesys and those issued by Gamesys to acquire them are taken to a separate merger reserve. On consolidation the share premium of the acquired company is also taken to the merger reserve.

Where Gamesys has control over an investee, it is classified as a subsidiary. Gamesys controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of Gamesys to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The carve-out historical financial information present the results of Gamesys and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. Where entities have been carved out, this is recorded in the balance sheet as a net amount due to or from the Target Business.

The carve-out historical financial information incorporates the results of business combinations other than those arising from group restructuring using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

Other intangible assets

Intangible assets comprise those purchased separately and those recognised on business combinations. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

Intangible assets are stated at cost less provision for amortisation and any impairment in value. The intangible assets recognised in the historical financial information (other than goodwill) and the useful economic lives over which they are amortised are as follows:

Externally developed products	• 3 years from the date development is complete
Licences	• Applicable licence period
Domain names	• 3 years
Internally developed software	• 3 years

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Target Business is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Target Business expects to benefit from selling the products developed. The amortisation expense is included within the administrative expenses in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Impairment of non-financial assets (excluding deferred tax assets)

Impairment tests on goodwill are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an individual asset or cash generating units ("**CGU**") exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Financial assets

The Target Business classifies its financial assets into one of the categories discussed below, depending on the business model and cash flow type under which the assets are held. The Target Business has not classified any of its financial assets as fair value through other comprehensive income. The Target Business's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises contingent consideration receivable from the Company. These are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income as finance income or expense.

Amortised cost

These assets are non-derivative financial assets held under the 'hold to collect' business model and attracting cash flows that are solely payments of principal and interest. They comprise trade and other receivables and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are calculated using an expected credit loss model. Under this model, impairment provisions are recognised to reflect expected credit losses based on a combination of historic and forward-looking information, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. This include balances with payment processors which are subject to an insignificant risk of change in value. Cash and cash equivalents excludes restricted cash which is held on deposit under the terms of certain licence arrangements as well as rolling reserve balance held with payment service providers. The cash outflow in respect of the restricted cash is treated as an operating item in the cash flow statement.

Financial liabilities

The Target Business's financial liabilities comprise trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. The Target Business has no financial liabilities classified as fair value through profit or loss with the exception of an employee incentive scheme which is directly linked to a percentage of the contingent consideration balance.

Share capital

Financial instruments issued by Gamesys are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Gamesys' ordinary, T and deferred shares are classified as equity instruments.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Operating leases

Where substantially all of the risks and rewards incidental to ownership of a leased asset are not transferred to the Target Business, the lease is classified as an operating lease. The total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and the Finance Director.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- Investments in subsidiaries where the Target Business is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Property, plant and equipment is subsequently recognised at cost less accumulated depreciation and any impairment losses. Other than land, depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Leasehold improvements	•	Over the length of the lease
Freehold property	•	50 years
Fixtures and fittings, computer equipment and software	•	2 – 3 years

Foreign currency

Transactions entered into by Target Business entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in profit or loss in Target Business entities' separate financial statements on the translation of long-term monetary items forming part of the Target Business's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Provisions

The Target Business has recognised provisions for liabilities of uncertain timing or amount relating to legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Defined terms

Adjusted EBITDA, as defined by the Target Business, is income before interest expense (net of interest income), income taxes, amortisation and depreciation, share-based compensation, fair value adjustments on contingent consideration, transaction-related costs (including employee bonuses and non-compete payments), foreign exchange, and gain on sale of intangible assets.

Adjusted Net Income, as defined by the Target Business, is calculated by adjusting net income for accretion on financial liabilities, amortisation of acquisition related purchase price intangibles, share-based compensation, fair value adjustments on contingent consideration, transaction-related costs (including employee bonuses and non-compete payments), foreign exchange (gain)/loss substantially arising on the Target Business's credit facilities, and gain on sale of intangible assets.

3. **Critical accounting estimates and judgements**

The Target Business makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

- The effective grant date of the management incentive scheme in place is the date from which the directors of Gamesys determine it is more likely than not that an exit event such as a sale will take place. At the point this judgement is made the vesting period would begin and a charge would be made in the financial information. As at 31 December 2018, the directors of Gamesys have determined that it was less likely than not that an exit event would take place and as such no accounting entries have been made. If it had been determined that an exit event was more likely than not a charge of £2.3 million (relating only to the employees that form part of the Target Business) would have been charged to the income statement over the period between it was determined that an exit event was likely and the directors best estimate of when the exit event was likely to occur (see note 23 for more details).

- In addition, there is a long-term bonus plan in place for employees of the Target Group which includes approximately a further £7.0 million of pay-out should a "liquidity event" such as a sale or flotation occur before the end of March 2020. As per the MIP scheme, on the basis the board of directors of Gamesys (the "**Gamesys Board**") concluded it was less likely than not that an exit event would occur as at 31 December 2018, no charge has currently been recorded. If it had been determined that an exit event was more likely than not, the £7.0 million would have been charged to the income statement over the period between when it was determined that an exit event was likely and the Gamesys Board's best estimate of when the exit event was likely to complete.

- The Target Business makes a judgement over the level of costs that meet the criteria for capitalisation under IAS 38 *Intangible Assets*. Using a different judgement additional or less costs would have been capitalised and amortised and therefore impacted the profit for the period.

- Estimated the net present value of contingent consideration receivable from the earn-out agreements in place with the Company from the sale of business operations. This determination also influences the valuation of the employee long-term incentive plan. Factors taken into consideration in reaching such a decision include performance to date, changes in applicable taxes and gaming duty, the economic viability and the expected future financial performance of the business operations disposed of as well as the time value of money and other general economic factors (see note 4 for further details).

Estimates and assumptions

- Impairment reviews of property, plant and equipment, goodwill and other intangible assets—requires estimation of future cash flows and determination of discount rates (see note 14).

- Determination of depreciation rates for property, plant and equipment and amortisation rates for intangible assets (excluding goodwill)—requires estimation of useful lives and residual values (see notes 12 and 13).

- Recovery of amounts due from carved-out group—these are deemed to be fully recoverable following the group reconstruction that has taken place prior to the completion of the sale.

- *Fair value measurement*

  Some of the Target Business's assets and liabilities are required to be measured at fair value. Fair value measurement utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

  - *Level 1*: Quoted prices in active markets for identical items (unadjusted);

  - *Level 2*: Observable direct or indirect inputs other than Level 1 inputs; and

  - *Level 3*: Unobservable inputs (i.e. not derived from market data).

  The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

  The Target Business measures the following items at fair value:

  - Contingent consideration receivable (notes 11 and 16); and

  - Long-term incentive plan liability (note 17).

4. **Financial instruments—Risk Management**

The Target Business is exposed through its operations to the following financial risks:

- Credit risk;

- Foreign exchange risk; and

- Liquidity risk.

In common with other businesses, the Target Business is exposed to risks that arise from its use of financial instruments. This note describes the Target Business's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this historical financial information.

There have been no substantive changes in the Target Business's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) ***Principal financial instruments***

The principal financial instruments used by the Target Business, from which financial instrument risk arises, are as follows:

- Contingent consideration;

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

	Financial assets at fair value through profit or loss			
	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Contingent consideration	270,094	153,250	67,653	4,899
Total financial assets	**270,094**	**153,250**	**67,653**	**4,899**

	Financial assets at amortised cost			
	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Cash	129,258	211,078	115,828	134,152
Restricted cash	2,000	2,315	3,165	7,000
Receivables	5,133	25,306	68,502	70,123
Total financial assets	**136,391**	**238,699**	**187,495**	**211,275**

	Financial liabilities at fair value through profit or loss			
	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Trade and other payables	22,243	27,934	18,128	6,238
Total financial liabilities	**22,243**	**27,934**	**18,128**	**6,238**

	Financial liabilities at amortised cost			
	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Trade and other payables	50,552	43,490	50,311	54,359
Total financial liabilities	**50,552**	**43,490**	**50,311**	**54,359**

(b) ***Financial instruments not measured at fair value***

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables (other than contingent consideration receivable), trade and other payables (other than amounts payable under the employee long-term incentive plan).

Due to their short-term nature, the carrying value of these assets and liabilities approximates their fair value.

(c) ***Financial instruments measured at fair value***

Financial instruments measured at fair value comprise contingent consideration receivable is classified and measured at Level 3 in the fair value hierarchy.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Financial instrument	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Contingent consideration receivable.	Discounted cashflow.	Discount rate and estimated cash flows.	A decrease / increase in the discount rate would increase / decrease the receivable. A decrease / increase in the growth rate would decrease / increase the receivable.

There were no changes to the valuation techniques during the period.

The reconciliation of opening and closing fair value balance of Level 3 financial instruments is provided below:

	Contingent consideration receivable			
	31 March 2016	**31 March 2017**	**31 March 2018**	**31 December 2018**
		(£000s)		
At 1 April / 1 January	-	270,094	153,250	67,653
Addition	224,303	-	-	-
Change in fair value	34,576	18,436	4,879	-
Unwinding of discount	11,217	14,720	3,742	701
Cash settlement	-	(150,000)	(94,218)	(63,455)
At 31 March / 31 December	**270,094**	**153,250**	**67,653**	**4,899**

The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding other inputs constant, of level 3 financial instruments is provided below. The contingent consideration targets includes amounts that are calculated based on earnings multiples as well as specific targets for the year ending 31 March 2018, 2019 and 2020. If the targets are met for these years a payment of £5.0 million will be received in addition to the earnings based multiple amounts.

Year end 31 March 2016	**£000**	**£000**
Discount rate change	1 per cent.	(1) per cent.
Profit on disposal	(4,871)	5,032
Unwinding of discount	1,952	(2,041)
Change in fair value	(510)	524
Change in closing asset	**(3,430)**	**3,514**
Growth rate in cash flows	1 per cent.	(1) per cent.
Profit on disposal	2,124	(2,124)
Unwinding of discount	106	(106)
Change in fair value	(2,231)	2,231

The profit on disposal and closing asset includes the assumption that all three £5.0 million payout targets will be met. If these targets were not met, the impact (after taking into account discounting) would be a reduction of £11.9 million.

Year end 31 March 2017	**£000**	**£000**
Discount rate change	1 per cent.	(1) per cent.
Unwinding of discount	(700)	717
Change in fair value	(227)	231
Change in closing asset	**(927)**	**948**
Growth rate in cash flows		
Unwinding of discount	1,213	(1,213)
Change in fair value	184	(184)

The closing asset includes the assumption that all three £5.0 million payout targets will be met, if these targets were not met the impact (after taking into account discounting) would be a reduction of £13.5 million.

Year-end 31 March 2018	**£000**	**£000**
Discount rate change	1 per cent.	(1) per cent.
Unwinding of discount	(230)	235
Change in fair value	75	(77)
Change in closing asset	**(155)**	**157**
Growth rate in cash flows		
Unwinding of discount	486	(486)
Change in fair value	104	(104)

The closing asset includes the assumption that two of the £5.0 million pay-out targets will be met, if these targets were not met the impact (after taking into account discounting) would be a reduction of £9.7 million.

In respect of 9 months to 31 December 2018, the impact of the change in discount rate is negligible and the assumption includes only one of the £5.0 million targets being met, if this was not met there would be a reduction in the closing asset (after taking into account discounting) of £4.9 million.

General objectives, policies and processes

The Gamesys Board has overall responsibility for the determination of the Target Business's risk management objectives and policies. The Gamesys Board receives monthly reports from the Gamesys Group finance team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Gamesys Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Target Business's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Target Business if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Target Business has minimal credit risk from its other trade receivables. It is Target Business policy, implemented locally, to assess the credit risk of new customers before entering contracts. The Target Business's review includes external ratings, when available, and in some cases bank references.

Credit risk also arises from cash and cash equivalents including those balance held with payment processors and restricted cash balances held with Government licensing authorities. For banks and financial institutions, only independently rated parties with high rating and industry recognition are used. The Target Business is also exposed to credit risk in respect of its contingent consideration receivable from the Company; it monitors the financial performance of the Company in determining the level of credit risk apparent. There are no trade and other receivables which are either past due or impaired.

Foreign exchange risk

The Target Business has minimal exposure to foreign exchange risk and has minimal transactions in foreign currency. Foreign exchange risk arises when individual Target Business entities enter into transactions denominated in a currency other than their functional currency. The Target Business's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Target Business. The Target Business's exposure to foreign exchange risk and sensitivity analysis has not been provided on the basis that it is immaterial.

Liquidity risk

Liquidity risk arises from the Target Business's management of working capital. It is the risk that the Target Business will encounter difficulty in meeting its financial obligations as they fall due. The Target Business's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements.

The Gamesys Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Target Business is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

All liabilities have a maturity of less than three months with the exception of the employee long-term incentive plan, which is disclosed in note 17.

Capital

The Target Business's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Target Business sets the amount of capital it requires in proportion to risk. The Target Business manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Target Business may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

5. Revenue

All revenue is recognised on a point in time basis from services provided to customers.

Analysis of revenue by service type:

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Real money gaming	58,914	99,977	163,305	118,409	139,659
Support services	80,425	91,325	108,894	80,345	83,422
	139,339	**191,302**	**272,199**	**198,754**	**223,081**

Analysis by geographical market:

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
United Kingdom	52,527	91,896	154,088	111,345	132,844
Bahamas	80,425	91,325	108,894	80,345	83,422
Rest of the World	6,387	8,081	9,217	7,064	6,815
	139,339	**191,302**	**272,199**	**198,754**	**223,081**

For all periods presented, the Target Business's contracts were for the delivery of services within the following 12 months. The Target Business has therefore applied the practical expedient available with IFRS 15 not to disclose information about remaining performance obligations at each balance sheet date.

The Target Business has applied IFRS 15 on a cumulative catch-up basis for the first time in presenting the carve-out historical financial information for the period ended 31 December. Had IFRS 15 not been adopted, there would have been no difference in the amounts reported for that period and the amounts that would have been reported by applying IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

6. Expenses by nature

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Employee benefit expenses (see note 7)	37,721	38,120	38,086	28,565	28,172
Depreciation of property, plant and equipment	2,960	2,056	2,508	1,881	2,272
Amortisation of intangible assets[1]	4,567	4,674	4,977	3,658	4,014
Foreign exchange loss/(gain)	(326)	(410)	188	62	114
Operating lease expense	14,972	11,904	10,539	7,904	8,932
(Profit)/loss on sale of tangible assets	5	-	-	-	-

[1] Amortisation charges on the Target Business's intangible assets are recognised in the administrative expenses line item in the statement of profit or loss and other comprehensive income.

7. **Employee benefit expenses**

	Year ended			9 months ended 31	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Employee benefit expenses (including directors) comprise:					
Wages and salaries	18,497	21,927	26,095	19,571	21,161
Defined contribution pension scheme	188	251	364	273	563
Long-term incentive plan	14,485	11,350	7,053	5,290	3,100
Social security contributions and similar taxes	4,551	4,592	4,574	3,431	3,348
	37,721	**38,120**	**38,086**	**28,565**	**28,172**

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Target Business, including the directors. This excludes directors and key management personnel that perform services for the carve-out business units only.

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Salary	1,512	1,014	1,058	793	981
Benefits in kind	8	3	12	9	13
Defined contribution pension	35	14	47	35	10
Long-term incentive plan	6,608	4,071	258	194	-
	8,164	**5,102**	**1,375**	**1,031**	**1,004**

8. **Segment information**

The directors of Gamesys consider that the Target Business comprises two operating segments—real money gaming and support services.

Description of the types of products and services from which each reportable segment derives its revenues

- *Real money gaming division*—This division is involved in the development and operation of online instant win, casino and bingo games; and
- *Support services division*—This division is involved in providing software and other support services and provides services to one customer only.

Factors that management used to identify the Target Business's reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team, comprising the CEO, COO and CFO.

Measurement of operating segment profit or loss, assets and liabilities

The Target Business evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but also on the basis of Adjusted EBITDA and Adjusted Net income.

Assets and liabilities are not measured on a segmental basis.

Profit or loss by reportable segment from continuing operations—year ended 31 March 2016

	Year ended 31 March 2016		
	Real money gaming	**Support Services**	**Total**
		(£000s)	
Revenue			
Gaming revenue	58,914	-	58,914
Support service revenue	-	80,425	80,425
Total revenue	**58,914**	**80,425**	**139,339**
Distribution costs	(34,312)	(52,571)	(86,883)
Administrative costs	(22,352)	(28,457)	(50,810)
Foreign exchange	(41)	367	326
Interest income	691	-	691
Income / (loss) for the year before taxes	**2,900**	**(236)**	**2,663**
Taxes			2,751
Net income for the year			**5,414**
Net income for the year			**5,414**
Interest income			(691)
Taxes			(2,751)
Amortisation and depreciation			7,527
EBITDA			**9,499**
Foreign exchange			(326)
Employee bonuses related to disposal of business operations			11,653
Adjusted EBITDA			**20,826**
Net income for the year			**5,414**
Foreign exchange			(326)
Employee bonuses related to disposal of business operations			11,653
Adjusted net income			**16,741**

Profit or loss by reportable segment from continuing operations—year ended 31 March 2017

	Year ended 31 March 2017		
	Real money gaming	**Support Services**	**Total**
		(£000s)	
Revenue			
Gaming revenue	99,977	-	99,977
Support service revenue	-	91,325	91,325
Total revenue	**99,977**	**91,325**	**191,302**
Distribution costs	(58,701)	(58,851)	(117,552)
Administrative costs	(28,098)	(32,140)	(60,238)
Foreign exchange	323	87	410
Interest income	688	-	688
Income for the year before taxes	**14,189**	**421**	**14,610**
Taxes			(3,902)
Net income for the year			**10,708**
Net income for the year			**10,708**
Interest income			(688)
Taxes			3,902
Amortisation and depreciation			6,730
EBITDA			**20,652**
Foreign exchange			(410)
Employee bonuses related to disposal of business operations			8,378
Adjusted EBITDA			**28,620**
Net income for the year			**10,708**
Foreign exchange			(410)
Employee bonuses related to disposal of business operations			8,378
Adjusted net income			**18,676**

Profit or loss by reportable segment from continuing operations—year ended 31 March 2018

	Year ended 31 March 2018		
	Real money gaming	**Support Services**	**Total**
		(£000s)	
Revenue			
Gaming revenue	163,305	-	163,305
Support service revenue	-	108,894	108,894
Total revenue	**163,305**	**108,894**	**272,199**
Distribution costs	(90,348)	(71,690)	(162,038)
Administrative costs	(30,598)	(36,574)	(67,172)
Foreign exchange	(132)	(56)	(188)
Interest income	454	-	454
	42,681	**574**	**43,255**
Other income			12,000
Income for the year before taxes			**55,255**
Taxes			(1,317)
Net income for the year			**53,938**
Net income for the year			**53,938**
Interest income			(454)
Taxes			1,317
Amortisation and depreciation			7,485
EBITDA			**62,286**
Foreign exchange			188
Employee bonuses related to disposal of business operations			2,755
Income in respect of extensions of non-compete			(12,000)
Adjusted EBITDA			**53,229**
Net income for the year			**53,938**
Foreign exchange			188
Employee bonuses related to disposal of business operations			2,755
Income in respect of extensions of non-compete			(12,000)
Adjusted net income			**44,881**

Profit or loss by reportable segment from continuing operations—period ended 31 December 2017

	Nine months ended 31 December 2017		
	Real money gaming	**Support Services**	**Total**
		(£000s)	
Revenue			
Gaming revenue	118,409	-	118,409
Support service revenue	-	80,345	80,345
Total revenue	**118,409**	**80,345**	**198,754**
Distribution costs	(67,335)	(52,881)	(120,216)
Administrative costs	(21,007)	(27,052)	(48,060)
Foreign exchange	(133)	71	(62)
Interest income	346	-	346
	30,280	**483**	**30,762**
Other income			9,000
Income for the period before taxes			**39,762**
			4,703
Net income for the period			**44,465**
Net income for the period			44,465
Interest income			(346)
Taxes			(4,703)
Amortisation and depreciation			5,645
EBITDA			**45,061**
Foreign exchange			62
Income in respect of extensions of non-compete			(9,000)
Adjusted EBITDA			**36,123**
Net income for the period			44,465
Foreign exchange			62
Income in respect of extensions of non-compete			(9,000)
Adjusted net income			**35,527**

Profit or loss by reportable segment from continuing operations—period ended 31 December 2018

	Nine months ended 31 December 2018		
	Real money gaming	**Support Services**	**Total**
		(£000s)	
Revenue			
Gaming revenue	139,659	-	139,659
Support service revenue	-	83,422	83,422
Total revenue	**139,659**	**83,422**	**223,081**
Distribution costs	(73,239)	(53,366)	(126,606)
Administrative costs	(24,563)	(28,747)	(53,310)
Foreign exchange	(1)	(113)	(114)
Interest income	427	-	427
	42,283	**1,196**	**43,478**
Other income			9,000
Income for the period before taxes			**52,478**
Taxes			(3,814)
Net income for the period			**48,664**
Net income for the period			**48,664**
Interest income			(427)
Taxes			3,814
Amortisation and depreciation			6,286
EBITDA			**58,338**
Foreign exchange			114
Income in respect of extensions of non-compete			(9,000)
Adjusted EBITDA			**49,452**
Net income for the period			**48,664**
Foreign exchange			114
Income in respect of extensions of non-compete			(9,000)
Adjusted net income			**39,778**

Revenues by geographical market

An analysis of revenues by geographical market is given in note 5.

9. Finance and other income

Recognised in profit or loss

Finance income	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2018	9 months ended 31 December 2017	9 months ended 31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Interest received on bank deposits	691	688	454	346	427
Total finance income	**691**	**688**	**454**	**346**	**427**

Other income	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2018	9 months ended 31 December 2017	9 months ended 31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Extension of non-compete	-	-	12,000	9,000	9,000
Total finance income	**-**	**-**	**12,000**	**9,000**	**9,000**

In the year-ended 31 March 2018, the Target Business agreed a two-year extension of a non-compete arrangement with the Company for an amount of £24.0 million. The income is being recognised on a straight-line basis over the two-year period.

10. Tax expense

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Current tax expense					
Current tax on profits for the period/year	11	9	-	-	6,546
Adjustment for under-provision in prior periods	(433)	(457)	95	95	-
Double Tax relief	(283)	-	-	-	-
R&D Tax credit	(587)	(73)	-	-	-
Foreign Tax	1,232	1,065	2,859	1,742	1,372
Total current tax	**(60)**	**544**	**2,954**	**1,837**	**7,918**
Deferred tax expense					
Origination and reversal of temporary differences (Note 19)	(2,500)	6,239	239	(4,679)	(4,104)
Other adjustments	(72)	94	143	-	-
Adjustments in respect of prior year	-	1,682	201	151	-
Effect of tax rate change on opening deferred tax	(119)	(342)	-	-	-
Total deferred tax	**(2,691)**	**7,673**	**583**	**(4,528)**	**(4,104)**
Total tax (income) / expense	**(2,751)**	**8,217**	**3,537**	**(2,691)**	**3,814**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in UK applied to profits for the year are as follows:

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Profit for the period/year	717,884	39,548	60,339	50,268	49,365
Income tax (credit) / expense	(2,751)	8,217	(3,537)	(2,691)	3,814
Profit before income taxes	**715,133**	**47,765**	**63,876**	**47,577**	**53,179**
Tax on profit before income taxes at the standard tax rate of corporation tax in the UK of 18 per cent. (2018 – 19 per cent., 2017 – 20 per cent., 2016 – 20 per cent.)	143,027	9,553	12,136	9,039	9,572
Expenses not deductible for tax purposes	285	441	392	294	252
(Recognised)/unrecognised tax losses carried forward	202	4,230	(2,075)	(1,556)	202
Under/(over)-provision in prior years	(579)	1,225	296	222	-
Difference in UK and overseas tax rate on overseas operations	1,016	(867)	(2,211)	(1,658)	(1,235)
Trading losses from carve out business used to reduce target taxable profit	(3,121)	(4,074)	(5,730)	(9,578)	(4,001)
Income relating to business Disposals not deductible	(142,612)	(2,316)	582	437	(133)
R&D tax credit	(587)	(73)	-	-	-
Other items	(382)	98	147	109	(843)
Total tax (income) / expense	**(2,751)**	**8,217**	**3,537**	**(2,691)**	**3,814**

Of the above total tax charge the following relates to discontinued operations:

	Year ended			9 months ended	
	31 March 2016	31 March 2017	31 March 2018	31 December 2017	31 December 2018
		(audited)		(unaudited)	(audited)
			(£000s)		
Discontinued operations	-	4,316	2,220	2,012	-

11. Discontinued operations

On 8 April 2015, Gamesys Limited completed the sale of the entire issued share capital of Fifty States Limited (incorporated in the Isle of Man) and its subsidiary Fifty States (Gibraltar) Limited (incorporated in Gibraltar) which included, directly or indirectly, the Jackpotjoy, Starspins and Botemania operations, which were sold to the Company.

The profit on disposal, trading prior to disposal and future movement on contingent consideration have been classified as discontinued operations. Contingent consideration is based on the net present value of estimated future earnings of the above-mentioned transaction discounted at a rate of 5 per cent. Future earn-out payments are payable in cash based upon the financial performance of Jackpotjoy, Starspins and Botemania in various periods following the sale. A further three £5 million contingent consideration payments are due in June 2018, June 2019 and June 2020 if certain EBITDA targets are met. The latter amount has not been recognised based on current forecasts and uncertainty over future economic conditions and RGD rates.

	Year-ended 31 March 2016
	(£000s)
Consideration	
Initial cash consideration	370,453
Consisting of:	
Cash consideration	75,194
Debt repayment from Intertain	295,259
Initial share consideration—comprising 7,361,365 common shares in The Intertain Group Limited	70,470
Contingent consideration net of discounting	224,303
Total consideration	**665,226**
Less: Book value of assets disposed	
Jackpotjoy, Starspins and Botemania operations	-
Profit on disposal	**665,226**
Unwinding of discount on contingent consideration	11,217
Fair value increase in contingent consideration	34,576
Profit from discontinued operations prior to disposal	1,452
Discontinued operation for the year ended 31 March 2016	**712,469**

Subsequent to the disposal, the contingent consideration was fair valued at each period-end and the discounting of the receivable unwound. These amounts were recorded in discontinued operations as follows:

	Year ended		**9 months ended**	
	31 March 2017	**31 March 2018**	**31 December 2017**	**31 December 2018**
	(audited)		**(unaudited)**	**(audited)**
			(£000s)	
Change in fair value	18,436	4,879	4,869	-
Unwinding of discount	14,719	3,742	2,943	701
Tax on discounted operation	(4,315)	(2,220)	(2,012)	-
Total	**28,840**	**6,401**	**5,800**	**701**

12. Property, plant and equipment

	Leasehold improvement	**Freehold property**	**Fixtures and fittings**	**Computer equipment and software**	**Total**
			(£000s)		
Cost or valuation					
At 1 April 2015	500	-	2,131	14,832	17,463
Additions	-	-	33	1,570	1,603
Foreign exchange movements	-	-	-	24	24
Disposals	-	-	(63)	(1,278)	(1,341)
At 31 March 2016	500	-	2,101	15,148	17,749
Additions	2,114	-	49	3,007	5,170
Foreign exchange movements	-	-	-	43	43
At 31 March 2017	2,614	-	2,150	18,198	22,962
Additions	-	1,474	1,418	1,917	4,808
Foreign exchange movements	-	-	-	(3)	(3)
Reclassification	(1,992)	1,048	944	-	-
Disposals	-	-	-	-	-
At 31 March 2018	622	2,522	4,512	20,112	27,768
Additions	-	-	106	1,073	1,179
Foreign exchange movements	-	-	-	2	2
At 31 December 2018	**622**	**2,522**	**4,618**	**21,187**	**28,949**

	Leasehold improvement	Freehold property	Fixtures and fittings	Computer equipment and software	Total
			(£000s)		
Accumulated depreciation and impairment					
At 1 April 2015	**272**	**-**	**1,244**	**11,823**	**13,339**
Provided for period	127	-	431	2,402	2,960
Disposals	-	-	(62)	(1,274)	(1,336)
At 31 March 2016	**399**	**-**	**1,613**	**12,951**	**14,963**
Provided for period	27	-	134	1,895	2,056
Disposals	-	-	-	-	-
At 31 March 2017	**426**	**-**	**1,747**	**14,846**	**17,019**
Provided for period	24	-	260	2,224	2,508
Disposals	-	-	-	-	-
At 31 March 2018	**450**	**-**	**2,007**	**17,070**	**19,527**
Provided for period	-	-	233	2,039	2,272
At 31 December 2018	450	-	2,240	19,109	21,799
Net book value					
At 1 April 2015	**228**	**-**	**887**	**3,009**	**4,124**
At 31 March 2016	**101**	**-**	**488**	**2,197**	**2,786**
At 31 March 2017	**2,188**	**-**	**403**	**3,352**	**5,943**
At 31 March 2018	**172**	**2,522**	**2,505**	**3,042**	**8,241**
At 31 December 2018	**172**	**2,522**	**2,378**	**2,078**	**7,150**

13. Intangible assets

	Licences	Domain names	Development expenditure	Total
		(£000s)		
Cost				
At 1 April 2015	305	306	17,045	17,656
Additions	176	-	4,101	4,277
At 31 March 2016	481	306	21,146	21,933
Additions	-	8	5,277	5,414
At 31 March 2017	481	314	26,423	27,218
Additions	-	4	5,954	5,958
At 31 March 2018	481	318	32,377	33,176
Additions	-	-	4,319	4,319
At 31 December 2018	481	318	36,696	37,495

	Licences	Domain names	Development expenditure	Total
		(£000s)		
Accumulated amortisation and impairment				
At 1 April 2015	305	59	10,287	10,651
Amortisation charge	-	141	4,426	4,567
At 31 March 2016	305	200	14,713	15,218
Amortisation charge	-	49	4,625	4,674
At 31 March 2017	305	249	19,338	19,892
Amortisation charge	-	50	4,927	4,977
At 31 March 2018	305	299	24,265	24,869
Amortisation charge	-	3	4,011	4,014
At 31 December 2018	305	302	28,276	28,883

	Licences	Domain names	Development expenditure	Total
		(£000s)		
Net Book Value				
At 1 April 2015	-	247	6,758	7,005
At 31 March 2016	176	106	6,433	6,715
At 31 March 2017	176	65	7,085	7,326
At 31 March 2018	176	19	8,112	8,307
At 31 December 2018	176	16	8,420	8,612

All development expenditure additions for the periods shown relate to internally generated software.

14. Goodwill and impairment

The Target Business is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

With the exception of an immaterial acquisition in 2017 the goodwill comprises one cash generating unit, namely Virgin Games of which £7,527,000 of goodwill is attributable.

For the purpose of impairment testing, the recoverable amount of the cash generating unit was measured on the basis of its value in use, by applying cash flow projections based on financial forecasts covering a three-year period with no terminal value calculation. The key assumptions for the value in use calculation were those regarding the discount rates and growth rates based on the Target Business management's best estimates and forecasts. As at 31 December 2018, the value in use was in excess of the carrying value of goodwill by £90.4 million based on a discount rate of 16 per cent. Due to the significant excess over carrying value and also based on the cash flows generated for the 9 month period to 31 December 2018 being in excess of three times the carrying value of goodwill, no reasonable change in estimate would give rise to an impairment and consequently no sensitivities have been disclosed.

The impairment tests performed in the manner described above did not result in an impairment provision being required for any of the period presented.

15. Subsidiaries

The principal subsidiaries of Gamesys (all of which are 100 per cent. owned) and have been included in this carve-out historical financial information, are as follows:

Name	Country of incorporation and place of business
Gamesys Limited	England
Entertaining Play Limited	Gibraltar
Gamesys Gibraltar Limited	Gibraltar
Gamesys Network Limited	Malta
Gamesys Spain Plc	Gibraltar
Gamesys US LLC	USA
Juegos Espana Plc	Gibraltar
Leisure Spin Limited	Gibraltar
Mice and Dice Limited	England
Nozee Limited	Gibraltar
Profitable Play Limited	Gibraltar
Gamesys Estonia OU	Estonia

16. Trade and other receivables

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Trade receivables	359	416	428	252
Amounts owed by carve-out business unit	-	150	59,377	57,466
Other receivables	9,031	32,020	16,379	19,871
Restricted cash	2,000	2,315	3,165	7,000
Contingent consideration	-	93,455	63,455	4,899
Total due less than one year	**11,390**	**128,356**	**142,804**	**89,488**
Contingent consideration	270,094	59,795	4,199	-
Other receivables	-	-	-	-
Total due greater than one year	**270,094**	**59,795**	**4,199**	-

The carrying value of financial assets classified as amortised cost approximates fair value. The Target Business does not hold any collateral as security.

Contingent consideration receivable relates to the disposal of a business in prior years (see note 11).

Amounts owed by the carve-out group are interest-free and repayable on demand and will be recovered through a group reconstruction prior to Completion.

Under the terms of the sale agreement with the Company, earn-out payments will be payable at various milestone dates based on performance of the operations sold.

As at 31 December 2018, there are two remaining contingent consideration payments of £5.0 million based on reaching operational targets for the years-ending 31 March 2019 and 31 March 2020. The discounted earn-out of £4.9 million has been recognised as at 31 December 2018 based on the expected achievement of the target for the year ending 31 March 2019. It has been agreed that the earn-out for the year ending 31 March 2019 shall be paid at, and conditional upon, Completion. The earn-out for the year ending 31 March 2020 has not been recognised, as management do not anticipate reaching this target.

The Target Business applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected credit loss is immaterial in all periods to disclose.

The Target Business applies the IFRS 9 general approach to measuring expected credit losses for amounts owed by the carve-out business unit and other receivables. None of those receivables has been subject to a significant increase in credit risk since initial recognition (where no provision was originally recorded) and consequently there has been no change to this determination.

17. Trade and other payables

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Trade payables	9,750	11,638	11,934	14,751
Accruals	26,706	31,852	38,377	39,608
Amounts due to carve-out group	14,096	-	-	-
Other tax and social security	741	861	916	1,109
Total trade and other payables less than one year	**51,293**	**44,351**	**51,227**	**55,468**
Employee benefit liabilities				
Long-term incentive plan less than one year	8,222	21,123	14,550	2,655
Long-term incentive plan greater than one year	13,280	5,950	1,972	2,475
Total	**21,502**	**27,073**	**16,522**	**5,130**

The carrying value of financial liabilities classified as financial liabilities measured at amortised cost approximates fair value.

18. **Provisions**

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
At 1 April / 1 January	-	-	-	690
Charged to profit or loss	-	-	690	-
At 31 March / 31 December	**-**	**-**	**690**	**690**

Provisions relate to potential settlements for legal matters which are expected to be settled within one year. The balance represents management's best estimate of the expected outflow after taking legal advice, as required.

19. **Deferred tax**

The movement on the deferred tax account is as shown below:

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
At 1 April / 1 January	2,873	5,564	(2,108)	(2,692)
Recognised in income statement				
Tax (expense)/credit	2,691	(7,673)	(583)	4,104
At 31 March / 31 December	**5,564**	**(2,108)**	**(2,692)**	**1,412**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12), and amounts recognised in profit or loss during the period/year, are shown below.

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
Net tax asset/(liability)				
Accelerated capital allowances	625	1,040	833	833
Employee long-term incentive plan	5,676	2,282	369	369
Contingent consideration	-	(4,600)	(6,820)	-
Tax losses	-	-	3,900	1,709
Software capitalisation	(737)	(830)	(974)	(1,499)
Net tax assets/(liabilities)	**5,564**	**(2,108)**	**(2,692)**	**1,412**

	31 March 2016	31 March 2017	31 March 2018	31 December 2018
		(£000s)		
(Charged)/Credited to income statement in period/year				
Accelerated capital allowances	(24)	415	(207)	-
Employee long-term incentive plan	2,642	(3,394)	(1,913)	-
Contingent consideration	-	(4,600)	(2,220)	6,820
Tax losses	-	-	3,900	(2,191)
Software capitalisation	73	(94)	(143)	(525)
(Charged)/Credited to income statement	**2,691**	**(7,673)**	**(583)**	**4,104**

20. Share capital

Type of Gamesys Share	Par value	Authorised At 31 March 2015	At 31 March 2016	At 31 March 2016	At 31 March 2017	At 31 March 2017	At 31 March 2018	At 31 March 2018	At 31 December 2018	At 31 December 2018
	£	£	*No.*	£	*No.*	£	*No.*	£	*No.*	£
Gamesys Ordinary	0.001	4,752	47,516,760	4,752	5,366,160	536	5,366,160	536	5,366,160	536
A1 Ordinary	0.001	-	-	-	2,518,380	252	2,518,380	252	2,518,380	252
A2 Ordinary	0.001	-	-	-	1,640,250	164	1,640,250	164	1,640,250	164
B10 Ordinary	0.001	-	-	-	10,247	1	10,247	1	10,247	1
B20 Ordinary	0.001	-	-	-	5,371	1	5,371	1	5,371	1
B30 Ordinary	0.001	-	-	-	3,850	-	3,850	-	3,850	-
B40 Ordinary	0.001	-	-	-	4,350	-	4,350	-	4,350	-
C Ordinary	0.001	-	-	-	5,555,971	556	5,555,971	556	5,555,971	556
S1C Ordinary	0.001	1,525	1,524,833	152	1,524,833	152	1,524,833	152	1,524,833	152
S1S Ordinary	0.001	1,525	-	-	-	-	-	-	-	-
S2N Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S2U Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S3N Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S3U Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S4N Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S4U Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S5N Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
S5U Ordinary	0.001	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525	15,248,324	1,525
Gamesys T Shares	0.001	-	67,500,000	6,750	67,500,000	6,750	67,500,000	6,750	67,5000,000	6,750
Gamesys Deferred Shares	0.001	-	-	-	191,011,425	19,101	191,011,425	19,101	191,011,425	19,101
Gamesys A Deferred Shares	0.001	-	-	-	4,158,630	416	4,158,630	416	4,158,630	416
Gamesys B Deferred Shares	0.001	-	-	-	23,818	2	23,818	2	23,818	2
Total		**20,000**	**238,528,185**	**23,854**	**401,309,877**	**40,131**	**401,309,877**	**40,131**	**401,309,877**	**40,131**

Issued Share Capital (in 000s)

Type of Gamesys Share	Opening at 1 April 2015	Number issued	Share buy-back	Closing at 31 March 2016	Number issued	Number re-designated	Share buy-back	Closing at 31 March 2017	Number issued	Share buy-back	Closing at 31 March 2018	Number issued	Shares Deferred	Share buy-back	Closing at 31 December 2018
Ordinary	15,080	-	-	15,080	-	(9,714)	-	5,366	-	-	5,366	-	-	-	5,366
A1 Ordinary	-	-	-	-	-	2,518	-	2,518	-	-	2,518	-	(320)	-	2,198
A2 Ordinary	-	-	-	-	-	1,640	-	1,640	-	-	1,640	-	304	-	1,944
B10 Ordinary	-	-	-	-	10	-	-	10	-	-	10	-	-	-	10
B20 Ordinary	-	-	-	-	5	-	-	5	-	-	5		-	-	5
B30 Ordinary	-	-	-	-	4	-	-	4	-	-	4	-	-	-	4
B40 Ordinary	-	-	-	-	4	-	-	4	-	-	4	-	-	-	4
C Ordinary	-	-	-	-	-	5,556	-	5,556	-	-	5,556	-	-	-	5,556
S1C Ordinary	15,248	-	(13,303)	1,945	-	-	(1,895)	50	-	(50)	-	-	-	-	-
S1S Ordinary	15,248	-	(15,248)	-	-	-	-	-	-	-	-	-	-	-	-
S2N Ordinary	15,248	-	-	15,248	-	-	-	15,248	-	(12,103)	3,143	-	-	(3,143)	2
S2U Ordinary	15,248	-	-	15,248	-	-	-	15,248	-	-	15,248	-	-	-	15,248
S3N Ordinary	15,248	-	-	15,248	-	-	-	15,248	-	-	15,248	-	-	(15,248)	-
S3U Ordinary	15,248	-	-	15,248	-	-	-	15,248	-	-	15,248	-	-	-	15,248
S4N Ordinary	15,249	-	-	15,249	-	-	-	15,249	-	-	15,249	-	-	-	15,249
S4U Ordinary	15,249	-	-	15,249	-	-	-	15,249	-	-	15,249	-	-	-	15,249
S5N Ordinary	15,249	-	-	15,249	-	-	-	15,249	-	-	15,249	-	-	-	15,249
S5U Ordinary	15,249	-	-	15,249	-	-	-	15,249	-	-	15,249	-	-	-	15,249
Gamesys T Shares	-	67,500	-	67,500	-	-	-	67,500	-	(15,000)	52,500	-	-	(20,500)	32,000
Gamesys Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesys A Deferred	-	-	-	-	-	-	-	-	-	-	-	-	624	-	624
Gamesys B Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**167,564**	**67,500**	**(28,551)**	**206,513**	**23**	**-**	**(1,895)**	**204,641**	**-**	**(27,153)**	**177,486**	**-**	**608**	**(38,891)**	**139,205**

Share capital (£)

Type of Gamesys Share	Opening at 1 April 2015	Number issued	Share buy-back	Closing at 31 March 2016	Number issued	Number re-designated	Share buy-back	Closing at 31 March 2017	Number issued	Share buy -back	Closing at 31 March 2018	Number issued	Shares Deferred	Share buy -back	Closing at 31 December 2018
Gamesys Ordinary	1,508	-	-	1,508	-	(971)	-	537	-	-	537	-	-	-	537
A1 Ordinary	-	-	-	-	-	252	-	252	-	-	252	-	(32)	-	220
A2 Ordinary	-	-	-	-	-	164	-	164	-	-	164	-	(30)	-	134
B10 Ordinary	-	-	-	-	1	-	-	1	-	-	1	-	-	-	1
B20 Ordinary	-	-	-	-	1	-	-	1	-	-	1	-	-	-	1
B30 Ordinary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B40 Ordinary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C Ordinary	-	-	-	-	-	555	-	555	-	-	555	-	-	-	555
S1C Ordinary	1,525	-	(1,330)	195	-	-	(189)	6	-	(6)	-	-	-	-	-
S1S Ordinary	1,525	-	(1,525)	-	-	-	-	-	-	-	-	-	-	(315)	-
S2N Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	(1,210)	315	-	-	-	-
S2U Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	-	1,525	-	-	(1,524)	1,525
S3N Ordinary	1,524	-	-	1,524	-	-	-	1,524	-	-	1,524	-	-	-	-
S3U Ordinary	1,524	-	-	1,524	-	-	-	1,524	-	-	1,524	-	-	-	1,524
S4N Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	-	1,525	-	-	-	1,525
S4U Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	-	1,525	-	-	-	1,525
S5N Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	-	1,525	-	-	-	1,525
S5U Ordinary	1,525	-	-	1,525	-	-	-	1,525	-	-	1,525	-	-	-	1,525
Gamesys T Shares	-	6,750	-	6,750	-	-	-	6,750	-	(1,500)	5,250	-	-	(2,050)	3,200
Gamesys Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gamesys A Deferred	-	-	-	-	-	-	-	-	-	-	-	-	62	-	62
Gamesys B Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**16,756**	**6,750**	**(2,855)**	**20,651**	**2**	**-**	**(189)**	**20,464**	**-**	**(2,716)**	**17,748**	**-**	**-**	**(3,889)**	**13,859**

On 8 April 2015, Gamesys bought back and cancelled 13,301,952 of the S1C shares and 100 per cent. of the S1S shares for £392,410,249.

On 13 April 2016, Gamesys bought back and cancelled 421,539 S1C shares for £10,202,288, with a further 1,473,900 S1C shares being bought back and cancelled on 4 November 2016 for £35,672,032.

On 21 July 2017, Gamesys bought back and cancelled 50,933 S1C shares for £1,232,705, 12,103,714 S2N shares for £159,999,999 and 15,000,000 Gamesys T Shares for £1,500.

On 6 August 2018, Gamesys bought back and cancelled 3,144,610 S2N shares for £41,568,956, 15,248,324 S3N shares for £15,156,654 and 20,500,000 Gamesys T Shares for £2,050.

Gamesys' authorised share capital is comprised of the following classes of shares:

- A number of different classes of "S" ordinary shares of £0.0001 each (S1C Shares, S2N Shares, S2U Shares, S3N Shares, S3U Shares, S4N Shares, S4U Shares, S5N Shares and S5U Shares) ("**Gamesys S Shares**"). The Gamesys S Shares each carry one vote per share. Each specific class of Gamesys S Shares is entitled to receive dividends or voluntary capital distributions (at the absolute discretion of the Gamesys Board), a capital distribution on a winding-up or proceeds of sale on an exit, in each case to a maximum amount which is derived from prescribed tranches of consideration received or receivable by Gamesys Limited, Gamesys' wholly-owned subsidiary, under the terms of a sale agreement with Intertain Group Limited (now a subsidiary of the Company) dated 5 February 2015 (as amended). No Gamesys S Share shall otherwise participate in any other dividend that is declared by Gamesys or in any other capital distribution or proceeds of sale on an exit. If the Gamesys Board, in its absolute discretion, determines that all or any classes of the Gamesys S Shares have no further value, Gamesys may convert such class(es) of Gamesys S Shares into Gamesys Deferred Shares (as defined below).

- "T" ordinary shares of £0.0001 each ("**Gamesys T Shares**"). The Gamesys T Shares each carry one vote per share, save that the Gamesys Board may, in its absolute discretion, suspend such voting rights at any time. The Gamesys T Shares, in aggregate, are entitled to receive 0.0135 per cent. of any dividend declared by Gamesys which is not declared in respect of any of the Gamesys S Shares and 0.0135 per cent. of any capital distribution (including on a winding-up) or the aggregate proceeds of sale on an exit (once the Gamesys S Shares have received their full entitlement of such capital distribution or proceeds of sale). If a holder of Gamesys T Shares becomes a leaver, Gamesys may convert any or all Gamesys T Shares held by that leaver into Gamesys Deferred Shares.

- Deferred shares of £0.0001 each ("**Gamesys Deferred Shares**"). The Gamesys Deferred Shares carry no voting rights. The Gamesys Deferred Shares have negligible rights on the declaration of a dividend or in any other capital distribution or proceeds of sale on an exit. The Gamesys Deferred Shares are redeemable at the option of Gamesys.

- Ordinary shares of £0.0001 each ("**Gamesys Ordinary Shares**"). The Gamesys Ordinary Shares carry one vote per share. On declaration of a dividend, the Gamesys Ordinary Shares are entitled, pari passu, to the balance of the total profits available for distribution to all of the Gamesys A Ordinary Shares, Gamesys A Deferred Shares, Gamesys B Ordinary Shares, Gamesys B Deferred Shares and Gamesys C Ordinary Shares ("**Gamesys Equity Shares**") once the Gamesys Equity Shares other than the Gamesys Ordinary Shares have received their full entitlement to such distribution. On a capital distribution (including a winding-up) or on an exit, the Gamesys Ordinary Shares are entitled to the balance of the distribution or proceeds of sale available to the Gamesys Equity Shares once the Gamesys Equity Shares other than the Gamesys Ordinary Shares have received their full entitlement to such distribution or proceeds.

- "A1" ordinary shares and "A2" ordinary shares, each of £0.0001 each ("**Gamesys A Ordinary Shares**"). Each Gamesys A Ordinary Share has such number of votes as is equal to the total number of votes available to all of the Gamesys Equity Shares divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. On the declaration of a dividend, each Gamesys A Ordinary Share is entitled to an amount of the total profits available for distribution to all of the Gamesys Equity Shares divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. Each Gamesys A Ordinary Share is entitled on a capital distribution (including a winding-up) or an exit to an amount of the distribution or proceeds of sale divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. The Gamesys A Ordinary Shares are subject to leaver provisions.

- "B10" ordinary shares, "B20" ordinary shares, "B30" ordinary shares and "B40" ordinary shares, each of £0.0001 each ("**Gamesys B Ordinary Shares**"). The Gamesys B Ordinary Shares were issued subject to vesting conditions. Each 1,000 Gamesys B Ordinary Shares in issue have 1 per cent. of the total voting rights available to all of the Gamesys Equity Shares save that, until the applicable vesting condition is achieved, the Gamesys B Ordinary Shares have no right to vote. Each 1,000 Gamesys B Ordinary Shares in issue are entitled to receive 1 per cent. of any dividend declared by Gamesys which is not declared in respect of any of the Gamesys S Shares save that, until the applicable vesting condition is achieved, the Gamesys B Ordinary Shares have no entitlement to receive dividends. The Gamesys B Ordinary Shares will only participate in the proceeds available to the Gamesys Equity Shares on a capital distribution (including a winding-up) or on an exit to the extent that such proceeds on the relevant event exceed £150 million. To the extent that the proceeds exceed £150 million, the Gamesys B Ordinary Shares receive the proceeds in excess of £150 million (other than proceeds required to be paid to the Gamesys A Ordinary Shares and the Gamesys C Ordinary Shares) until the amount received by the Gamesys B Ordinary Shares represents 1 per cent. of the total proceeds per each 1,000 Gamesys B Ordinary Shares in issue (save that, until the applicable vesting condition is achieved, the relevant sub-class of Gamesys B Ordinary Share has no such rights). To the extent that any proceeds remain, each 1,000 Gamesys B Ordinary Shares in issue have a right to 1 per cent. of the remaining proceeds (save that, until the applicable vesting condition is achieved, the relevant sub-class of Gamesys B Ordinary Share has no such rights). The Gamesys B Ordinary Shares are subject to leaver provisions.

- "C" ordinary shares of £0.0001 each ("**Gamesys C Ordinary Shares**"). Each Gamesys C Ordinary Share has such number of votes as is equal to the total number of votes available to all of the Gamesys Equity Shares divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. On the declaration of a dividend, each Gamesys C Ordinary Share is entitled to an amount of the total profits available for distribution to all of the Gamesys Equity Shares divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. Each Gamesys C Ordinary Share is entitled on a capital distribution or exit to an amount of the distribution or proceeds of sale divided by the total number of Gamesys Ordinary Shares, Gamesys A Ordinary Shares, Gamesys A Deferred Shares and Gamesys C Ordinary Shares in issue. The Gamesys C Ordinary Shares are subject to leaver provisions.

- "A" deferred shares of £0.0001 each ("**Gamesys A Deferred Shares**"). The Gamesys A Deferred Shares carry no voting rights. The Gamesys A Deferred Shares have negligible rights on the declaration of a dividend or in any other capital distribution or proceeds of sale on an exit.
- "B" deferred shares of £0.0001 each ("**Gamesys B Deferred Shares**"). The Gamesys B Deferred Shares carry no voting rights. The Gamesys B Deferred Shares have negligible rights on the declaration of a dividend or in any other capital distribution or proceeds of sale on an exit.

Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Merger reserve	Amount subscribed for share capital in excess of nominal value.
Share-based payment reserve	Amounts previously charged to the statement of comprehensive income for equity-settled share based payments.
Capital redemption reserve	Nominal value of shares acquired by the Company and cancelled.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into GBP.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

21. **Leases**

Operating leases comprise leases over land and buildings.

The total future value of minimum lease payments is due as follows:

	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2018	9 months ended 31 December 2018
		(£000s)		
Not later than one year	2,123	1,895	3,442	2,905
Later than one year and not later than five years	12,756	10,009	7,154	6,522
Later than five years	233	-	-	-
	15,112	**11,904**	**10,596**	**9,427**

22. **Related party transactions**

Details regarding key management personnel compensation are given in note 7.

In the year-ended 31 March 2017, a loan of £20.0 million was made to a director with an interest rate of 0.5 per cent. per annum. This amount was repaid in full in the year ended 31 March 2018. The amount is included within other receivables due in less than one year.

Included in other debtors in the year ended 31 March 2016 is an amount due from directors of £234,586 (2015: £573,858) with interest having been charged at a rate of 1 per cent. per annum (interest in the year of £2,278). These loans were repaid on 1 September 2016.

As set out in note 24, subsequent to 31 December 2018 there were loans made to related parties.

As set out in note 16, there are amounts owed by the carve-out business unit amounting to £57.8 million at 31 December 2018, primarily representing a loan advanced to the carve-out business unit to fund an acquisition by the Residual Business and ongoing working capital funding.

23. **Share-based payment**

As described in the significant accounting judgement note, during the year ended 31 March 2017, Gamesys introduced a new group senior management incentive plan ("**TB MIP**"). In connection with the implementation of the TB MIP, the shareholders of Gamesys passed resolutions in writing approving the adoption of new articles of association ("**Gamesys New Articles**"), the re-designation of 9,714,601 Gamesys Ordinary Shares of £0.0001 each in the capital of Gamesys into 4,158,630 Gamesys A Ordinary

Shares of £0.0001 each and 5,555,971 Gamesys C Ordinary Shares of £0.0001 each ("**Re-Designations**") and the disapplication of pre-emption rights in connection with the issue and allotment to members of the TB MIP of 22,818 Gamesys B Ordinary Shares of £0.0001 each in the capital of Gamesys for £nil proceeds. Of the 22,818 Gamesys B Ordinary Shares issued, 10,478 relate to employees that form part of the Target Business.

The TB MIP, which is triggered upon meeting certain financial hurdles of the Gamesys Group, incentivises management to maximise shareholder value. The Gamesys B Ordinary Shares provide the holder with income and voting rights in line with other shareholders, however, the holders only participate in a capital distribution if the proceeds of the exit event exceed certain hurdles. On an exit event, the holders of Gamesys B Ordinary Shares would receive a share of any proceeds in excess of the hurdle. 22,818 Gamesys B Ordinary Shares were issued at the balance sheet date. Should the hurdle not be met, Gamesys intends to pay a cash alternative.

Management have calculated the fair value of the issued shares at £218 per Gamesys B Ordinary Share. The valuation utilises the expected returns methodology. The key assumptions underlying the valuation relating to the income and capital rights of the share include the exit event multiple, forecast growth of the business, likelihood of an exit happening and dividend policy. As at the balance sheet date, management concluded that there was no probable exit event currently identified and therefore no share-based payment charge is recognised in the carve-out historical financial information.

24. **Events after the reporting date**

On 13 June 2019, the Gamesys Group agreed the form of certain of the documents in connection with: (i) the disposal of the Residual Business, and (ii) the reorganisation of the ownership of the Target Group and its subsequent sale to the JPJ Group.

On 12 June 2019, the GBGC announced a settlement with Gamesys Gibraltar, a wholly owned subsidiary of the Target Group, covering a number of open enquiries. The settlement has been provided for in full in these financial statements.

Post period-end, the Gamesys Group advanced loans to related parties who are also shareholders, but not Proposed Directors, totalling £18.0 million. The loans carry interest of 1 per cent. per annum and are repayable on demand or, if earlier, at Completion.

PART 9: UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A: BDO REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors and Proposed Directors
JPJ Group plc
35 Great St. Helen's
London, EC3A 6AP
United Kingdom

27 June 2019

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Dear Sirs

JPJ Group plc (the "Company")

Pro forma financial information

We report on the unaudited pro forma net assets statement and income statement (together, the "**Pro Forma Financial Information**") set out in Section B of Part 9 of the combined circular and prospectus dated 27 June 2019 (the "**Combined Document**") which has been prepared on the basis described, for illustrative purposes only, to provide information about how the proposed acquisition of the Target Business might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its consolidated financial statements for the year ended 31 December 2018.

This report is required by item 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the "**PD Regulation**") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "**JPJ Directors**") to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation, consenting to its inclusion in the Combined Document.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the JPJ Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Combined Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Combined Document in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered

in England and Wales (with registered number OC305127)

SECTION B: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

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 the JPJ Group 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 the JPJ Group 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 the JPJ Group's, the Target Business's 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 net assets of the JPJ Group as at 31 March 2019 and the Target Business as at 31 December 2018; and

- the consolidated income statements of the JPJ Group and the Target Business for the year ended 31 December 2018,

as set out in, or derived from, the audited consolidated financial statements of the JPJ Group for the year ended 31 December 2018, the unaudited consolidated financial statements of the JPJ Group for the three months ended 31 March 2019 and the historical financial information of the Target Business, as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document, and has been prepared in accordance with Annex II to the PD Regulation, 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	**Target Business net assets as at 31 December 2018**	**Acquisition of the Target Business**	**Pro forma net assets of the Enlarged Group**
	(note 1)	*(note 2)*	*(notes 3,4,5,6)*	
			£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	160,624	228,038	(257,146)	131,516
Non-current assets				
Tangible assets	2,049	7,150	-	9,199
Intangible assets	208,770	8,612	-	217,382
Goodwill	271,992	7,655	314,225	593,902
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	490,771	24,829	314,225	829,855
Total assets	**651,395**	**252,867**	**57,109**	**961,371**

	JPJ Group net assets as at 31 March 2019	Target Business net assets as at 31 December 2018	Acquisition of the Target Business	Pro forma net assets of the Enlarged Group
	(note 1)	*(note 2)*	*(notes 3,4,5,6)*	
			£000's	
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	**54,064**	**68,301**	**(23,226)**	**99,139**
Non-current liabilities				
Other long-term payables	880	2,475	-	3,355
Lease liabilities	2,958	-	-	2,958
Deferred tax liability	986	-	-	986
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**	**(104,665)**	**303,438**

Notes:

1. The consolidated net assets of the JPJ Group at 31 March 2019 have been extracted without material adjustment from the unaudited consolidated financial statements of the JPJ Group for the three months ended 31 March 2019 which are incorporated by reference in this document, as set out in "*Part 7: Historical Financial Information of the JPJ Group*" of this document.
2. 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	Reclassification adjustments	The Target Business as at 31 December 2018 under JPJ's presentation
	(note 2(a))	*(note 2(b))*	*(note 2(c))*
		£000's	
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**

	As reported by the Target Business as at 31 December 2018	Reclassification adjustments	The Target Business as at 31 December 2018 under JPJ's presentation
	(note 2(a))	*(note 2(b))* *£000's*	*(note 2(c))*
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**

a. The consolidated net assets of the Target Business have been extracted without material adjustment from the historical financial information on the Target Business as at 31 December 2018, as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document.

b. Certain reclassification adjustments have been made to accord with the JPJ Group's accounting presentation, as follows:

   i. Restricted cash moved from trade and other receivables.

   ii. Customer deposits moved from cash.

   iii. Within current liabilities, payable to customers from accounts payable and accrued liabilities.

   iv. Within current liabilities, movement to accounts payable and accrued liabilities from employee benefit liabilities and provisions.

   v. Within non-current liabilities, movement to other long term payables from employee benefit liabilities.

c. Represents the sum of columns (a) and (b)

3 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 Acquisition. Actual goodwill included in the JPJ Group'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 £496 million based on the closing price of JPJ Shares on the Latest Practicable Date. In the Company's announcement of the Acquisition on 13 June 2019, pro forma consideration for the Target Business was estimated at approximately £509 million based on a £7.69 closing price of JPJ Shares on Wednesday 12 June 2019.

	£000's
Consideration payable in cash	250,000
Consideration payable in JPJ shares	246,346
Estimated total consideration	496,346
Book value of the Target Business's net assets as at 31 December 2018	(182,091)
Pro forma goodwill adjustment	**314,255**

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 the Company of £14.0 million (including VAT, where relevant), as disclosed in paragraph 20 (*General*) of "*Part 11: Additional Information*"; 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 Gamesys Shareholders 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 Gamesys Shareholders will be based on the balances at the date of completion, which are likely to be different from the balances at 31 December 2018.

Any reference to "*Pro Forma Net Leverage*" of approximately 3.1x in this document is calculated as the Pro Forma Net Debt (see below) divided by Pro Forma Adjusted EBITDA (£170.9 million), whereby:

- "*Pro Forma Net Debt*" of the Enlarged Group of £524.3 million is calculated as pro forma long-term debt (£541.5 million) plus deferred consideration (£10.0 million), less pro forma cash (£53.4 million), excluding Target Business cash held at payment service providers of £26.2 million; and
- "*Pro Forma Adjusted EBITDA*" of the Enlarged Group for the year ended 31 December 2018 is set out in the unaudited pro forma income statement below.

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 £23.2 million decrease in current liabilities and a £21.4 million decrease in receivables.

6. No account has been taken of the financial performance of the JPJ Group 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 1)	*(note 2)*	*(note 3a)*	*(note 3b)*	*(note 3c)*	*(note 3d)*	
				£000's			
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:

1. The consolidated income statement of the JPJ Group for the year ended 31 December 2018 has been extracted without material adjustment from the audited consolidated financial statements of the JPJ Group for the year ended 31 December 2018 which are incorporated by reference in this document, as set out in "*Part 7: Historical Financial Information of the JPJ Group*" of this document.

2. 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	**9 months ended 31 December 2017**	**3 months ended 31 March 2018**	**9 months ended 31 December 2018**	**Year ended 31 December 2018**
	(note 2(a))	*(note 2(b))*	*(note 2(c))* **£'000s**	*(note 2(d))*	*(note 2(e))*
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 audited consolidated income statement of the Target Business for the year ended 31 March 2018 has been extracted without material adjustment from the historical financial information on the Target Business, as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document.

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 the historical financial information on the Target Business, as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document.

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 historical financial information on the Target Business, as set out in "*Part 8: Historical Financial Information of the Target Business*" of this document.

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 in 16.4 *(Games Licence Agreements)* of "*Part 11: Additional Information*";

c) the estimated transaction costs of the Company of £14.0 million (including VAT, where relevant), as disclosed in paragraph 20 (*General*) of "*Part 11: Additional Information*", which have been disclosed within transaction related costs; 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 which is described more fully in paragraph 16.12 (*Senior Secured Term and Revolving Credit Facility*) of "*Part 11: Additional Information*". An interest rate of 5.72 per cent has been applied to the deferred consideration (comprising a 5 per cent. margin plus one-month GBP LIBOR of 0.72 per cent. as at 24 June 2019), as described more fully in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*".

4. The adjustments are all expected to have a continuing impact on the JPJ Group, 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 the JPJ Group since 31 December 2018, the financial performance of the Target Business since 31 December 2018, nor of any other event save as disclosed above.

PART 10: UK TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of holding JPJ Shares. They are based on current UK legislation and what is understood to be the current practice of HM Revenue & Customs ("**HMRC**") as at the date of this document, both of which may change, possibly with retroactive effect.

These statements apply only to JPJ Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in (and only in) the United Kingdom (except insofar as express reference is made to the treatment of non-UK residents), who hold their JPJ Shares as an investment (other than under an individual savings account) and who are the absolute beneficial owner of both the JPJ Shares and any dividends paid on them. The tax position of certain categories of JPJ Shareholders who are subject to special rules (such as persons acquiring their JPJ Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes or those who hold 10 per cent. or more of the JPJ Shares) is not considered.

The statements in paragraph 3 (*Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*) of "*Part 10: UK Taxation*" apply to any holders of JPJ Shares irrespective of their residence and summarise the current position and are intended as a general guide only.

JPJ Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own professional advisers.

1. TAXATION OF DIVIDENDS

The Company is not required to withhold tax when paying a dividend. The amount of any liability to tax on dividends paid by the Company will depend upon the individual circumstances of a JPJ Shareholder.

All dividends received by a UK resident individual JPJ Shareholder from the Company or from other sources will form part of the JPJ Shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the JPJ Shareholder in a tax year. Income within the nil rate will still count towards determining the rate of tax that applies to any dividend income in excess of the £2,000 dividend allowance. Where the dividend income is above the £2,000 dividend allowance, the first £2,000 of the dividend income will be charged at the nil rate and any excess amount will be taxed at 7.5 per cent. to the extent that the excess amount falls within the basic rate tax band, 32.5 per cent. to the extent that the excess amount falls within the higher rate tax band and 38.1 per cent. to the extent that the excess amount falls within the additional rate tax band.

Each JPJ Shareholder's position will depend on its own individual circumstances, although it would normally be expected that dividends paid by the Company to JPJ Shareholders who are subject to UK corporation tax should fall within one or more of the classes of dividend qualifying for exemption from corporation tax, although the exemptions are not comprehensive and are also subject to anti-avoidance rules. JPJ Shareholders within the charge to corporation tax should consult their own professional advisers.

JPJ Shareholders who are not resident in the United Kingdom for UK tax purposes will not be liable to UK income or corporation tax on dividends paid on the JPJ Shares unless they are carrying on a trade, profession or vocation in the United Kingdom and the dividends are either a receipt of that trade profession or vocation or, in the case of corporation tax, the JPJ Shares are held by or for a UK permanent establishment through which a trade is carried on.

A JPJ Shareholder resident outside the United Kingdom may be subject to taxation on dividend income under local law. A JPJ Shareholder who is resident outside the United Kingdom for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

2. TAXATION OF DISPOSALS

A disposal or deemed disposal of JPJ Shares by a JPJ Shareholder who is (at any time in the relevant UK tax year) resident in the United Kingdom for tax purposes may, depending upon the JPJ Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

JPJ Shareholders who are not resident in the United Kingdom will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of JPJ Shares unless they are carrying on a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate JPJ Shareholder, a permanent establishment) in connection with which the JPJ Shares are used, held or acquired.

Individual JPJ Shareholders who are temporarily non-UK resident may, in certain circumstances, be subject to capital gains tax in respect of gains realised whilst they are not resident in the UK.

3. STAMP DUTY AND STAMP DUTY RESERVE TAX ("SDRT")

3.1 Issue

No stamp duty or SDRT will be payable on the issue of the New JPJ Shares (subject to the comments below in relation to circumstances involving depositary receipts or clearance services).

3.2 Subsequent Transfers

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring JPJ Shares. An exemption from stamp duty is available on an instrument transferring JPJ Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer JPJ Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument or that instrument is certified as exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

3.3 JPJ Shares held through CREST

Paperless transfers of JPJ Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of JPJ Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

3.4 JPJ Shares held through Clearance Systems or Depositary Receipt Arrangements

Under current UK law, where JPJ Shares are transferred (in the case of stamp duty) issued or transferred (in the case of SDRT) (a) to, or to a nominee or in the case of stamp duty, agent, for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the JPJ Shares (rounded up to the next multiple of £5 in the case of stamp duty). Any liability for stamp duty or SDRT which does arise will strictly be accountable by the depositary or clearance service operator or their nominee, as the case may be, but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt system. Subsequent transactions within a clearance service and transfers and agreements to transfer depositary receipts are not normally subject to stamp duty or SDRT. However, clearance services may opt, provided certain conditions are satisfied, for the normal rate of stamp duty or SDRT (0.5 per cent. of the amount or value of consideration given, rounded up to the next multiple of £5 in the case of stamp duty) to apply to issues or transfers of JPJ Shares into, and to transactions within, such clearance services as if the special clearance service rules outlined above did not apply.

Following the European Court of Justice judgment in *HSBC Holdings plc and Vidacos Nominees Ltd v Commissioners for Her Majesty's Revenue & Customs*, which held that the 1.5 per cent. SDRT charge on issuing UK shares into clearance services is contrary to European Union law, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on the issue of shares into a clearance service or depositary receipt system within the European Union to which a 1.5 per cent. charge would have previously applied. It is possible that the applicability of the 1.5 per cent. charge may also be affected in other circumstances. Although there is some uncertainty as to the impact which the United Kingdom's proposed withdrawal from the EU will have on this treatment, the UK Government stated in the Autumn Budget of November 2017 that they would not reintroduce the 1.5 per cent. charge on the issue of shares (and transfers of shares integral to capital raising) into overseas clearance services and depositary receipt systems following the United Kingdom's exit from the EU.

Specific professional advice should be sought before paying the 1.5 per cent. charge.

Special rules apply to agreements made by, amongst others, intermediaries.

4. **Inheritance Tax**

The JPJ Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift or settlement of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax regardless of their domicile status and tax residence status. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

A charge to inheritance tax may arise in certain circumstances where JPJ Shares are held by UK or offshore close companies and by UK or offshore trustees of settlements. JPJ Shareholders who are either close companies or trustees of settlements should consult an appropriate tax adviser as to any inheritance tax implications.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN JPJ SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

PART 11: ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company, the JPJ Directors and each of the Proposed Directors, whose names appear in "*Directors, Proposed Directors, Registered Office and Advisers*", accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the JPJ Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

2.1 The Company was incorporated in England and Wales on 29 July 2016 with registered number 10303804 as a public company limited by shares under the Companies Act with the name Goldilocks Topco plc.

2.2 Goldilocks Topco plc changed its name to Jackpotjoy plc on 15 August 2016.

2.3 Jackpotjoy plc changed its name to JPJ Group plc on 27 June 2018.

2.4 The principal legislation under which the Company operates and the JPJ Shares have been created is the Companies Act.

2.5 The Company's registered office is at 35 Great St. Helen's, London, EC3A 6AP (telephone number is +44 203 907 4025) and the Company's head office is located at 16 Berkeley Street, London, W1J 8DZ.

3. SHARE CAPITAL

3.1 Share capital summary

On incorporation the Company's share capital was £0.10 divided into one JPJ Share of £0.10. Since incorporation there have been the following changes in the Company's issued share capital:

(a) Between 1 January 2016 and 31 December 2016, the Company issued 50,000 redeemable shares of £1.00 each, after which JPJ's issued share capital was made up as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	1	0.10
Redeemable shares	£1.00 each	50,000	50,000

(b) Between 1 January 2017 and 31 January 2017, the Company became the parent company of Intertain, following a Plan of Arrangement transaction involving a one-for-one share exchange of all and the then outstanding common shares of Intertain for, at each Intertain shareholder's election, ordinary shares in the Company or exchangeable shares of Intertain. Following completion of the Plan of Arrangement, debentures at an undiscounted value of £1.0 million were converted into 288,165 JPJ Shares and all options over common shares of Intertain under Intertain's stock option plan were automatically exchanged for options of equivalent value over ordinary shares of the Company. The Company also cancelled all redeemable shares, after which the issued share capital of the Company was made up as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	74,064,931	7,406,493.10
Redeemable shares	£1.00 each	0	0

(c) Between 1 January 2018 and 31 December 2018, the Company converted debentures at an undiscounted value of £0.2 million into 56,499 ordinary shares of the JPJ Group, with the remaining convertible debentures being redeemed in full to the value of £0.1 million on 1 June 2018, after which the Company's issued share capital was made up as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	74,328,930	7,432,893.00

(d) Between 1 January 2019 and 31 March 2019, 107,080 share options were exercised, after which JPJ's issued share capital was made up as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	74,436,010	7,436,010.00

(e) Between 31 March 2019 and the Latest Practicable Date, 37,668 share options were exercised. As at the Latest Practicable Date, the issued share capital of the Company was made up as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	74,473,678	7,447,367.80

(f) Assuming that 33,653,846 JPJ Shares are issued pursuant to the Acquisition and no other JPJ Shares are issued between the Latest Practicable Date and the date of Admission, the issued and fully paid share capital of the Company immediately following Completion is expected to be as follows:

	Issued and fully paid		
	Nominal Value	**Number**	**Amount £**
JPJ Shares	£0.10 each	108,127,524	10,812,752.40

3.2 None of the capital of the Company has been paid for with assets other than cash within the period covered by JPJ's Historical Financial Information incorporated by reference into this document.

3.3 Other than as provided by the City Code on Takeovers and Mergers (the "**Takeover Code**"), Chapter 28 of the Companies Act and National Instrument 62-104 – *Takeover Bids and Issuer Bids* ("**NI 62-104**"), there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

(a) ***Takeover Code***

(i) Acquisitions of voting rights in the Company including, without limitation, via acquisitions of Exchangeable Shares are regulated by, among other regulations, the Takeover Code.

(ii) The Takeover Code regulates takeover and merger transactions, however effected, pursuant to which control of public companies (and, in some cases, private companies) resident in the United Kingdom is to be obtained or consolidated. Control, in summary, means a holding or aggregated holdings of shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the holding or holdings give de facto control. Voting rights normally means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

(iii) The general principles on which the Takeover Code is based include, in summary:

- All shareholders of the same class must be afforded equivalent treatment and if a person acquires control, the other shareholders must be protected;

- All shareholders must have sufficient time and information to enable them to reach a properly informed decision on the bid, and where it advises shareholders, the offeree's board must give its views on the effect of the implementation of the bid;

- The offeree's board must act in the interests of the company as a whole and not deny shareholders the opportunity to decide on the merits of the bid;

- False markets must not be created in the securities of any company concerned in the bid in such a way that rise and fall of prices of securities becomes artificial and the normal functioning of the market is distorted;

- An offeror may only announce a bid after ensuring that it can fulfil in full any cash consideration (if any) and after taking all reasonable measures to secure the implementation of any other type of consideration; and

- An offeree must not be hindered in the conduct of its affairs for longer than is reasonable by a bid.

(b) ***Mandatory bid***

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Panel on Takeovers and Mergers (the "**Panel**")) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company.

In the context of the Acquisition, the Panel concluded that it did not see sufficient grounds to rebut the Rule 9 presumption that the Gamesys founding investors, which comprise Noel Hayden, Andrew Dixon (together with related trusts), Robin Tombs (together with his spouse Wendy Tombs and related trusts), together with the senior management team of Gamesys, which comprises Lee Fenton (CEO of Gamesys), Robeson Reeves (COO of Gamesys), and Michael Mee (CFO of Gamesys) were acting in concert (the "**Concert Party**"). The decision by the Panel was principally motivated by the amount of time Lee Fenton (who joined Gamesys in 2008), Robeson Reeves (who joined Gamesys in 2005) and Michael Mee (who joined Gamesys in 2005) have spent working at Gamesys and their longstanding relationship with each of the founding investors. Although the number of New JPJ Shares to be issued to all Gamesys Shareholders in aggregate is fixed (at 33,653,846 JPJ Shares), the distribution of those Consideration Shares amongst the Gamesys Shareholders will, in part, be a function of the Gamesys Group Reorganisation (which is expected to occur approximately one week prior to Completion) and calculated with reference to (i) the Reorganisation Reference Price; and (ii) the Residual Business Valuation. Irrespective of the Reorganisation Reference Price and the Residual Business Valuation at the time of implementing the Gamesys Group Reorganisation, and based on the assumption that the total issued share capital of the Enlarged group will be 108,127,524 JPJ Shares, the maximum aggregate direct and indirect shareholdings of the Concert Party, immediately following Admission, will not exceed 28.0 per cent.

(c) ***Squeeze-out***

Under the Companies Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent. of the shares to which such offer related, it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company and the Company would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

(d) ***Sell-out***

The Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

(e) ***Canadian Securities Law***

As a result of the transactions under the Plan of Arrangement, the Company became and remains a reporting issuer in certain jurisdictions in Canada. It is therefore subject to certain Canadian securities laws, including NI 62-104. This instrument imposes certain restrictions and obligations in connection with takeover bids and issuer bids (i.e. bids made by the Company for securities of its own issue) made for securities of the Company. These obligations include mandatory bid provisions that apply to any offer to acquire outstanding voting or equity securities of a class in the Company that is made to one or more persons any one of whom is in, or has an address on the books of the Company that is in, a jurisdiction in Canada where the securities subject to the offer to acquire, together with the number of securities that are beneficially owned by the acquiror and any parties acting "jointly or in concert" with the acquiror, constitute in the aggregate 20 per cent. or more of the outstanding securities of that class of securities at the date of the offer. There are certain limited exceptions to these requirements, including for normal course purchases, purchases under private agreements in certain instances and where the offer is eligible for the foreign takeover bid exemption, which is triggered where, among other things, Canadian securityholders hold less than 10 per cent. of the outstanding securities of the class subject to the offer at the commencement of the offer and where the acquiror reasonably believes that Canadian securityholders do not exceed that ownership threshold. NI 62-104 also imposes certain requirements with respect to the terms of the bid, including a minimum 105-day bid period (unless otherwise agreed by the Company or otherwise modified in accordance with the instrument), minimum tender conditions, mandatory extensions in certain circumstances and permitted conditions to the takeover bid.

3.4 The Company has not issued any partly paid shares nor any convertible securities, exchangeable securities or securities with warrants, save as described in paragraph 16.11 (*Warrant Instrument*) in "*Part 11: Additional Information*". The Company does not hold any shares in treasury. There are no shares in the Company's issued share capital that do not represent capital.

3.5 The JPJ Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (the "**Regulations**")). Where JPJ Shares are held in certificated form, subject to the Companies Act and except where otherwise provided in the Articles, shares certificates will be sent to the registered members. Where JPJ Shares are held in CREST, the relevant CREST stock account of the relevant members will be credited.

4. ARTICLES OF ASSOCIATION

4.1 The Articles, as adopted pursuant to a resolution passed at a general meeting of the Company held on 13 June 2019, contain provisions to the following effect:

(a) ***Objects***

The objects of the Company, in accordance with section 31(1) of the Companies Act, are unrestricted.

(b) ***Limited Liability***

The liability of the members is limited to the amount, if any, unpaid on the JPJ Shares respectively held by them.

(c) ***Rights Attaching to Shares***

(i) *Voting Rights of Members*

Subject to any special terms as to voting and subject to disenfranchisement in the event of non-payment of any call or other amount due and payable in respect of any share or non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any shares, on a show of hands every member present in person or by proxy has one vote and on a poll every member present in person or by proxy has one vote for every share of which he is a holder.

(ii) *Dividends*

Subject to the Companies Act and the Articles, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors and no dividend may be declared or paid unless it is in accordance with members' respective rights.

Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holdings of shares on the date of the resolution or decision to declare or pay it.

Subject to the provisions of the Companies Act and rights attached to shares, the Company or the directors may fix any date as the record date for a dividend. The record date may be on or at any time before or after a date on which the dividend is declared or paid.

Except as otherwise provided by the Articles or the rights attached to, or the terms of issue of, any shares, all dividends must be declared and paid according to the amounts paid up on the shares on which the dividend is paid and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. If 12 years have passed from the date on which a dividend or other sum became due for payment and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

The directors may pay any dividend (including any dividend payable at a fixed rate) if it appears to them that the profits available for distribution justify the payment. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

Subject to the Articles, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a Distribution payable in respect of a share by transferring non-cash assets of equivalent value (including shares or other securities in any company).

(iii) *Return of Capital*

A liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division is carried out as between the members or different classes of members.

(d) ***Restrictions on Rights Attaching to Shares***

If it determines that a Shareholder Regulatory Event (as defined in the Articles) has occurred, and provided that it follows the procedure set out in the Articles, the Company may in its absolute discretion and at any time, by notice in writing to a holder of any JPJ Shares to whom the Shareholder Regulatory Event relates (or to whom the Company reasonably believes it relates) or in whose JPJ Shares a person is interested to whom the Shareholder Regulatory Event relates (or to whom the Company reasonably believes it relates) suspend with immediate effect (or with effect from such date as the notice may specify) all or some (as the notice may specify) of the rights attaching to such JPJ Shares to: (i) attend and speak at meetings; (ii) vote and demand a poll exercisable in respect of the JPJ Shares; (iii) receive any payment (whether by dividend or otherwise); and (iv) the issue of further JPJ Shares or other securities in respect of the JPJ Shares.

If it determines that a Shareholder Regulatory Event has occurred, and provided that it follows the procedure set out in the Articles, the Company may in its absolute discretion and at any time, by notice in writing to a holder of any JPJ Shares to whom the Shareholder Regulatory Event relates (or to whom the Company reasonably believes it relates) or in whose JPJ Shares a person is interested to whom the Shareholder Regulatory Event relates (or to whom the Company reasonably believes it relates) require the disposal of all or some (as the notice specifies) of the JPJ Shares held by the recipient of the notice or the interest held by any interested person named in the notice (as the notice specifies) within 14 days from the date of such notice or within such other period as the Company (in its absolute discretion) considers reasonable. If the notice is not complied with or not complied with to the satisfaction of the Company within the time specified, and has not been withdrawn, the Company shall in its absolute discretion be entitled, so far as it is able, to dispose of the JPJ Shares specified in the notice at the best price reasonably obtainable in all the circumstances and shall give notice of any such disposal to those persons on whom the notice was served. Subject to complying with the Companies Act, the Company itself may acquire the JPJ Shares. The net proceeds of any such disposal shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest payable thereon) to the former registered holder upon surrender by that person of the share certificate or other document of title in respect of the JPJ Shares sold and formerly held by that person. The transferee shall not be bound to see the application of such proceeds and after the name of the transferee has been entered in the register in respect of the JPJ Shares, the validity of the proceedings shall not be questioned.

(e) ***Transfer of Shares***

(i) Subject to the Articles, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by the FCA, the directors may refuse to register a transfer of certificated shares provided that such refusal would not disturb the market in those shares.

(ii) Certificated shares may be transferred by means of an instrument of transfer in writing in any usual form or any other form approved by the directors, which is executed by or on behalf of:

(A) the transferor; and

(B) (if any of the shares is partly paid) the transferee.

(iii) Subject to the Regulations, the transferor remains the holder of a share until the transferee's name is entered in the register of members as the holder of it.

(iv) Subject to the requirements of the Listing Rules, the directors may, in their absolute discretion, refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien.

(v) The directors may also, in their absolute discretion, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment of a share unless all of the following conditions are satisfied:

(A) it is in respect of only one class of shares;

(B) it is in favour of (as the case may be) a single transferee or renouncee or not more than four joint transferees or renouncees;

(C) it is duly stamped (if required); and

(D) it is delivered for registration to the registered office of the Company or such other place as the directors may decide, accompanied by the certificate for the shares to which it relates (except in the case of a person to whom the Company is not required by section 769, 776, 777 or 778 of the Companies Act to issue a certificate, or in the case of a renunciation) and such other evidence as the directors may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

(vi) If the directors refuse to register the transfer of a certificated share or renunciation of a renounceable letter of allotment, the instrument of transfer or renunciation must be returned to the transferee or renouncee as soon as practicable and in any event within two months of the date on which the transfer or renunciation was lodged with the Company with the notice of refusal and reasons for refusal unless they suspect that the proposed transfer or renunciation may be fraudulent.

(vii) In accordance with and subject to the provisions of the Regulations, the operator of the relevant system (the "**Operator**") shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Regulations permit the Operator to refuse to register such transfer in certain circumstances, in which case the said Operator may refuse such registration.

(viii) In accordance with the Regulations, if the Operator refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it must, as soon as practicable and in any event within two months after the date on which the relevant system-member instruction or issuer instruction (as the case may be) was received by the Operator, send notice of the refusal to the relevant system-member or participating issuer (as the case may be).

(ix) In accordance with and subject to the provisions of the Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form after such transfer, the Company as participating issuer must register the transfer in accordance with the relevant Operator instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Regulations.

(x) In accordance with the Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form after such transfer, it must, as soon as practicable and in any event within two months after the date on which the Operator instruction was received by the Company, send notice of the refusal to the transferee.

(xi) The Company (at its option) may or may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

(f) ***Variation of Rights***

Subject to the Companies Act, the rights attached to a class of shares may be varied or abrogated (whether or not the Company is being wound up) either (i) with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or (ii) with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the Articles.

The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Companies Act.

(g) ***Company's Lien on Partly Paid Shares***

The Company has a lien (the "**Company's Lien**") over every share which is partly paid for any part of that share's nominal value and any premium at which it was issued, which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. The Company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share and (if that lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share solely for the purposes of the transfer.

(h) ***Forfeiture***

If a person is liable to pay a call and fails to do so by the due date for payment, the directors may issue a notice of intended forfeiture to that person and until the call is paid, that person must pay the Company interest on the call from the due date for payment to the actual date of payment (both dates inclusive) at the relevant rate. A notice of intended forfeiture must be in writing, may be sent in respect of any share in respect of which a call has not been paid as required by a call notice, must be sent to the holder of that share or a person entitled to it by reasons of the holder's death, bankruptcy or otherwise, must require payment of the call and any accrued interest (and all costs, charges and expenses incurred by the Company by reason of non-payment) by a date which is not less than 14 days after the date of the notice, must state how the payment is to be made and that, if notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

If a notice of intended forfeiture is not complied with before the date by which payment (including interest, costs, charges and expenses) of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

If a person's shares have been forfeited, that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest at the relevant rate (whether accrued before or after the date of forfeiture) and costs, charges or expenses.

Failure to give notice to the relevant holder of the share will not invalidate the forfeiture. Forfeited shares shall become the property of the Company.

(i) ***Redeemable Shares***

Subject to the Companies Act, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

(j) ***General Meetings***

At least 21 clear days' notice must be given to call an annual general meeting. Subject to the Companies Act, at least 14 clear days' notice must be given to call all other general meetings.

The notice of a general meeting must be given to the members (other than those who, under the provisions of the Articles or the terms of allotment or issue of shares are not entitled to receive notice), to the directors, to the beneficial owners nominated to enjoy information rights under the Companies Act and to the Company's auditors. The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to a meeting to, or the non-receipt of any such notice by, a person entitled to receive any such notice shall not invalidate the proceedings at that meeting.

All members present in person and their duly appointed proxy or proxies shall be entitled to attend and to speak at all general meetings of the Company and such proxy or proxies are entitled to vote instead of such member, both on a show of hands and on a poll. A proxy need not also be a member of the Company. A member may appoint more than one proxy in relation to a meeting, provided each proxy is appointed to exercise the rights attached to different shares held by that member.

(k) ***Notices and Communications***

(i) Save where the Articles expressly require otherwise, any notice, document or information to be sent or supplied by or to the Company may be sent or supplied in accordance with the Companies Act (whether authorised or required to be sent or supplied by the Companies Act or otherwise) in hard copy form, in electronic form or by means of a website.

(ii) In the case of joint holders of a share, a notice, document or information shall be validly sent or supplied to all joint holders if sent or supplied to whichever of them is named first in the register in respect of the joint holding. Anything to be agreed or specified in relation to a notice, document or information to be sent or supplied to joint holders, may be agreed or specified by the joint holder who is named first in the register in respect of the joint holding.

(iii) A notice, document or information sent by post and addressed to a member at his registered address or address for service in the UK is deemed to be given to or received by the intended recipient 24 hours after it was put in the post if prepaid as first class post and 48 hours after it was put in the post if prepaid as second class post. In proving such service, it shall be sufficient to prove that the envelope containing the notice, document or information was properly addressed, pre-paid and posted.

(iv) A notice, document or information sent or supplied by electronic means to an address specified for the purpose by the member is deemed to have been given to or received by the intended recipient 24 hours after it was sent, and in proving service it is sufficient to prove that the communication was properly addressed and sent.

(v) A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website or (ii) if later, when the recipient received (or is deemed to have received) notification of the fact that the material was available on the website.

(l) ***Directors***

(i) *Number of Directors*

Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) must not be less than two and must not be more than fifteen.

(ii) *Appointment*

Subject to the Companies Act, a person can be appointed (or remain) a director regardless of his age.

Subject to the Articles, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by ordinary resolution at a general meeting, by a decision of the directors or under the Articles if the Company has only one director.

(iii) *Remuneration*

Unless otherwise determined by ordinary resolution, directors (but not alternate directors) are entitled to such total fees as the directors determine for their services. The total fees paid to directors must not exceed £2,000,000 per annum, or any other amount as decided by ordinary resolution. The total fees will be divided among the directors in the proportions that the directors decide or, if no decision is made, the total fees will be divided equally.

Subject to the Companies Act and to the Articles, the directors' fees may be payable in any form and, in particular, the directors may arrange for part of a fee payable to be provided in the form of fully paid shares of the Company. The amount of the fee will be applied to purchase or subscribe for shares on behalf of a director.

The directors can pay additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses to any director who at the request of the directors makes a special journey for the Company, performs a special service for the Company or works abroad in connection with the Company's business.

The Company may repay any reasonable travelling, hotel and other expenses which a director properly incurs in performing his duties as director in connection with his attendance at directors' meetings, committee meetings, general meetings or separate meetings of the holders of a class of shares or debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of his responsibilities in relation to the Company. Subject to the Companies Act, the directors may make arrangements to provide a director with funds to meet expenditure incurred (or to be incurred) by him for the purposes of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company or to enable him to avoid incurring any such expenditure.

The directors may decide whether to pay or provide (by insurance or otherwise) pensions, retirement or superannuation benefits, death, sickness or disability benefits, gratuities or other allowances to any person who is or who was a director of (i) the Company, (ii) a subsidiary undertaking of the Company, (iii) any company which is or was allied to or associated with the Company or any of its subsidiary undertakings, or (iv) a predecessor in a business of the Company or of any of its subsidiary undertakings (or, in each case, to any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose, the directors may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The directors may arrange for this to be done either by the Company alone or in conjunction with another person.

(iv) *Indemnity*

To the extent permitted by the Companies Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company or an associated Company (other than any person (whether or not an officer of the Company or an associated Company) engaged by the Company or an associated Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise as a director or such other officer of the Company or an associated Company) in relation to the Company or an associated Company or their affairs, other than in respect (broadly) of any liability incurred by such person to the Company or to an associated Company, any criminal or regulatory fine or the costs of defending any criminal proceedings in which such person is convicted.

(v) *Removal of Directors*

In addition to any power of removal under the Companies Act, the Company can by ordinary resolution remove a director even though his time in office has not ended (without prejudice to a claim for damages for breach of contract or otherwise) and, subject to the Articles, by ordinary resolution appoint a person to replace a director who has been removed in this way. A person appointed to replace a director who has been removed will be due to retire when the director he replaces would have been due to retire. A director may also be removed from office by the service on him of a notice to that effect signed by or on behalf of all his co-directors.

(vi) *Retirement by Rotation*

Subject to the Articles, at the end of every annual general meeting at least one third of the current directors who are subject to retirement by rotation must retire. If one third is not a whole number, the number of directors to retire is the number which is nearest to (but not less than) one third. If there are fewer than three directors who are subject to retirement by rotation, one must retire. Any directors retiring in this way continue to be directors until the end of the meeting at which they retire.

If any director was appointed by the directors since the last annual general meeting, was last appointed (or reappointed) three or more years prior to the meeting, was not last appointed (or reappointed) at one of the preceding two annual general meetings, or at the time of the meeting will have served more than eight years as a non-executive director of the Company (excluding as chairman), then he must retire from office. Only a director retiring in such circumstances will be counted in determining the number required to retire at the meeting.

(vii) *Directors' Interests*

The directors may authorise any matter proposed to them which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act. Any such authorisation will be effective only if any requirement as to the quorum at the meeting or part of the meeting at which the matter is considered is met without counting the director in question or any other directors interested in the matter under consideration and the matter was agreed to without such directors voting or would have been agreed to if such directors' vote had not been counted.

A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person.

A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company must declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement. Such declaration may (but need not) be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Companies Act or by general notice in accordance with section 185 of the Companies Act.

A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company must declare the nature and extent of his interest to the other directors as soon as is reasonably practicable (unless the interest has already been declared as above). Such declaration must be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Companies Act or by general notice in accordance with section 185 of the Companies Act.

Subject to the Companies Act and provided he has declared to the directors the nature and extent of any direct or indirect interest of his in accordance with the Articles, a director may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested or may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and in any such case on such terms as to remuneration and otherwise as the directors may decide or may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise be interested in, any body corporate in which the Company is directly or indirectly interested.

A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate, the acceptance, entry into or existence of which has been authorised by the directors under the Articles or which he is permitted to hold or enter into by virtue of the Articles.

The Company may, by ordinary resolution, suspend or relax the provisions in the Articles relating to directors' interests to any extent. Subject to the Companies Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of the provisions in the Articles relating to directors' interests.

(viii) *General Voting and Quorum Requirements*

Save as otherwise provided by the Articles, a director shall not vote on or be counted in any quorum in relation to a resolution of the directors or a committee of the directors concerning a matter in which he has a direct or indirect interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares, debentures or other securities of or otherwise in or through the Company). This prohibition does not apply to a resolution concerning any of the following matters:

(A) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

(B) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(C) a transaction or arrangement concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(D) a transaction or arrangement to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which such director or any person connected with him is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise, provided that he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Companies Act) representing 1 per cent. or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) in the relevant company or of the voting rights available to members of the relevant company;

(E) a transaction or arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; or

(F) a transaction or arrangement concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

A director shall not vote on or be counted in the quorum in relation to any resolution of the directors or committee of the directors concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any body corporate in which the Company is directly or indirectly interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or any body corporate in which the Company is directly or indirectly interested, such proposals may be divided and a separate resolution considered in relation to each director, in which case each of the directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

The directors may in their discretion exercise (or cause to be exercised) the powers conferred by shares of another company held (or owned) by the Company or a power of appointment to be exercised by the Company.

(ix) *Executive Directors*

Subject to the Companies Act, the directors may appoint one or more of the directors to hold an executive office within the Company for such term and on such other terms and conditions as (subject to the Companies Act) the directors think fit.

The directors may revoke or terminate an appointment, without prejudice to a claim for damages for breach of the contract of service between the director and the Company or otherwise.

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the directors, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the Articles.

(m) ***Failure to Disclose Interests in Shares***

Where notice is served by the Company under section 793 of the Companies Act (a "**section 793 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of service of the section 793 notice, the following sanctions apply, unless the directors otherwise decide:

(i) the member shall not be entitled in respect of the default shares to be present or to vote (either in person, by proxy or by corporate representative) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and

(ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any shares of their class held as treasury shares) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to elect, under the Articles, to receive shares instead of a dividend; and no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or the member is not himself in default in supplying the information required; and the member proves to the satisfaction of the directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

5. DESCRIPTION OF EXCHANGEABLE SHARE STRUCTURE

5.1 Overview of Exchangeable Share Structure

In connection with its admission to trading on the London Stock Exchange in January 2017, the JPJ Group (then Intertain) undertook a court supervised plan of arrangement under the OBCA (a process similar to a scheme of arrangement under the Companies Act) pursuant to which Intertain and Intertain ExchangeCo Limited, a company incorporated under the laws of Ontario ("**ExchangeCo**"), undertook a share for share exchange which resulted in the corporation continuing as a result of the amalgamation of Intertain, Intertain Holdings and ExchangeCo becoming an indirect subsidiary of the JPJ Group, with the JPJ Group being entitled to exercise 100 per cent. of the voting rights in the amalgamated corporation (the "**Plan of Arrangement**"). Pursuant to the Plan of Arrangement, Intertain's existing shareholders received JPJ Shares on a one for one basis. In addition, Intertain's eligible Canadian resident shareholders had an option to elect to receive either JPJ Shares or Exchangeable Shares on a one for one basis. The Exchangeable Shares entitle the holder to exchange its Exchangeable Shares for the Exchangeable Share Purchase Price, the Exchangeable Share Redemption/Liquidation Price or the Exchangeable Share Retraction Price, as applicable (each as defined in "*Part 12: Definitions*" and such applicable price, the "**Exchangeable Share Transfer Price**").

The Exchangeable Shares (together with the ancillary rights) ultimately have economic entitlements that are substantially economically equivalent (subject to certain differences in respect of a dividend or other distribution (including a return of capital) on a share ("**Distributions**") to the JPJ Shares, including the ability to direct the voting rights attaching to one JPJ Share for each Exchangeable Share held by that holder at any meeting of JPJ Shareholders.

Through the combination of the provisions of the Exchangeable Shares, the voting and exchange trust agreement (which was executed by the Company, Intertain (following the amalgamation described above), JerseyCo and the Voting Trustee (the "**Voting and Exchange Trust Agreement**")), the Exchangeable Share Support Agreement (which was executed by the Company, Intertain CallCo ULC ("**CallCo**") and Intertain) and the Call Rights Agreement (as defined below and which was executed by the Company, CallCo and Intertain), the Exchangeable Shareholders have the following rights, including, amongst others:

(a) the right to exchange their Exchangeable Shares at any time before the date, if any, established by the board of directors of Intertain for the redemption by Intertain of all, but not less than all, of the outstanding Exchangeable Shares for the Exchangeable Share Retraction Price, subject to CallCo's Retraction Call Right (as defined in "*Part 12: Definitions*");

(b) the right to vote at meetings of JPJ Shareholders (either in person, having been appointed as the Voting Trustee's proxy in respect of the relevant number of JPJ Shares, or by way of a direction given to the Voting Trustee) on the basis of one vote for each Exchangeable Share outstanding; and

(c) the right to participate in a liquidation or insolvency event of the Company on a pro rata basis with the holders of JPJ Shares through the Automatic Exchange Right on Liquidation (as defined in "*Part 12: Definitions*").

The Exchangeable Shares are listed on the Toronto Stock Exchange under the ticker symbol "*ITX*". Intertain has publicly announced that it intends to seek the approval of the holders of Exchangeable Shares to amend the Exchangeable Share Provisions to provide for the early redemption of the Exchangeable Shares. This amendment is subject to an approval of the Exchangeable Shareholders by a special resolution of not less than two-thirds of the Exchangeable Shares represented at the meeting to be called for the purpose of considering this amendment, either in person or by proxy. If this amendment is approved and the Exchangeable Shares redeemed as intended, it would have the effect of rationalising the Company's share structure.

5.2 Overview of Exchangeable Share Structure Documentation

The key documentation which underpins the Exchangeable Share Structure is as follows:

(a) ***Plan of Arrangement***

The court-approved Plan of Arrangement, among other things, included the Exchangeable Share provisions (the "**Exchangeable Share Provisions**") (containing the rights attaching to the Exchangeable Shares), which formed an exhibit to the Plan of Arrangement and also granted certain call rights in respect of the Exchangeable Shares to CallCo which are described more fully in the remainder of this section.

(b) ***Exchangeable Share Provisions***

The Exchangeable Share Provisions contained the share rights, and other terms, of the Exchangeable Shares, including the rights of the Exchangeable Shareholders, to exchange their Exchangeable Shares for JPJ Shares and their rights on a liquidation, dissolution or winding-up of Intertain.

(c) ***Voting and Exchange Trust Agreement***

The parties to the Voting and Exchange Trust Agreement are the Company, Intertain, JerseyCo and the Voting Trustee.

JerseyCo is a company incorporated under the laws of Jersey and it does not carry on any business except in connection with its role as a party to the Plan of Arrangement and the Voting and Exchange Trust Agreement. The entire issued and outstanding share capital of JerseyCo is held by MO Nominees Jersey (One) Limited, acting in its capacity as trustee of Intertain JerseyCo Charitable Trust.

The JPJ Shares to which the Voting and Exchange Trust Agreement relates were issued to JerseyCo pursuant to the Plan of Arrangement, with the number of such JPJ Shares corresponding to the number of Exchangeable Shares issued pursuant to the Plan of Arrangement (the "**Underlying Shares**"). Since that time, the number of Underlying Shares held by JerseyCo has reduced as Exchangeable Shareholders have exercised their retraction rights and exchanged their Exchangeable Shares for Shares in accordance with the Exchangeable Share Provisions.

The Voting and Exchange Trust Agreement contains provisions under which JerseyCo and the Voting Trustee are granted specified rights and agree to specified obligations in relation to the voting rights attaching to the Underlying Shares for the benefit of the Exchangeable Shareholders from time to time. It is under this agreement that JerseyCo grants a power of attorney (which is to be renewed annually) in favour of the Voting Trustee over the voting rights attaching to the Underlying Shares it holds, with the Voting Trustee's interest in those voting rights and the power of attorney to be held in trust for the benefit of holders (other than the Company and its affiliates) of Exchangeable Shares from time to time (the "**Beneficiaries**"). The Voting and Exchange Trust Agreement also contains the mechanics by which Beneficiaries can direct the exercise of these voting rights.

JerseyCo agreed with the Company in the Voting and Exchange Trust Agreement to irrevocably waive its rights to Distributions on the Underlying Shares held by it from time to time for as long as it holds such shares. JerseyCo also agreed with the Company, the Voting Trustee and Intertain that it would not sell or transfer the Underlying Shares except as permitted and/or directed pursuant to the Voting and Exchange Trust Agreement.

Further, as security for the obligations of JerseyCo under the Voting and Exchange Trust Agreement, and to ensure that the Underlying Shares held by JerseyCo remain available for the purposes for which they are intended, JerseyCo provided the following additional protections in the Voting and Exchange Trust Agreement:

(i) a covenant in favour of the Company that for so long as it holds any interest in an Underlying Share, it shall not (a) carry on any business or activity, enter into any arrangement, agreement or transaction, incur any obligation or acquire or dispose of any assets other than to comply with its obligations under the Voting and Exchange Trust Agreement or the Security Agreement (as defined in "*Part 12: Definitions*"); or (b) create or permit to subsist any security interest in or over any of its assets (other than pursuant to a Security Agreement); and

(ii) an undertaking in favour of the Company that it shall (a) not exercise on its own behalf the voting rights attaching to the Underlying Shares it holds, (b) for so long as it holds any interest in an Underlying Share, on each anniversary of the date of the Voting and Exchange Trust Agreement execute such further documentation and do all such other acts or things as may be necessary or desirable to grant a power of attorney to the Voting Trustee to exercise the voting rights attaching to the Underlying Shares it holds; and

(iii) on the occurrence of an event of default (as such term is defined in the Security Agreement), (a) notify all other parties to that agreement of the occurrence of such event and (b) transfer all of the JPJ Shares then held by it to such entity as the Company directs.

(d) ***Exchangeable Share Support Agreement***

The parties to the Exchangeable Share Support Agreement are the Company, CallCo and Intertain.

The Exchangeable Share Support Agreement contains provisions under which the Company agreed to specified obligations to support the obligations of Intertain and CallCo with respect to the Exchangeable Shares.

(e) ***Call Rights Agreement***

As part of the Plan of Arrangement, the Company, Intertain and CallCo entered into the "**Call Rights Agreement**" under which CallCo agreed to exercise certain overriding call rights over Exchangeable Shares being retracted or redeemed, as the case may be, whenever it is possible for it to do so. Accordingly (save where the Exchangeable Shares have been acquired by the Company or CallCo under the Automatic Exchange Right or the Automatic Exchange Right on Liquidation (as defined in "*Part 12: Definitions*")) on a redemption or retraction of Exchangeable Shares or on a liquidation, dissolution or winding-up of Intertain or other distribution of the assets of Intertain among its shareholders for the purpose of winding-up its affairs, the purchase of the Exchangeable Shares should always occur pursuant to CallCo exercising its overriding call rights and CallCo (not Intertain) would then acquire the Exchangeable Shares.

6. OTHER DIRECTORSHIPS

6.1 The JPJ Directors, the Proposed Directors and the Senior Managers hold or have held the following directorships, (other than, where applicable, directorships held in the Company and/or in any subsidiaries of the Company), and/or are or were members of the following partnerships, within the past five years.

JPJ Directors	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Neil Goulden	Ambitious About Autism Ambitious About Autism Schools Trust Britbet LLP Clarion Housing Group Limited Marston's Trustees Limited Neil Goulden Consulting Limited Nottingham Trent University Sue Ryder Sue Ryder Direct Limited Sue Ryder Lottery Limited	2005 Propco Two Limited Access Sport Affinity Sutton Community Foundation Affinity Sutton Group Limited Association of British Bookmakers Limited Burlywood Capital (Investments) LLP Clarion Futures Gala Coral Group Gambleaware (previously the Responsible Gambling Trust) Marston's plc Old Bailey 2005 LLP Princess Alexandra NHS Trust Suitcase One Limited
Simon Wykes	Leisure Electronics Limited Nottingham Trent University Wexel Gaming Limited YX Leisure & Gaming Limited	Buzz Group Limited Buzz Entertainment Ltd Buzz Leisure Ltd Buzz County Clubs Ltd Buzz Holdings Ltd Bonningtree Ltd Caledonia Venus Group Limited Caledonia Venus Holdings Ltd Caledonia Venus Acquisitions Ltd Mecca Bingo The Bingo Association Limited
Keith Laslop	-	Maple Leaf Revolver Fund PRO Real Estate Investment Trust
Jim Ryan	Bragg Gaming Group Inc Duke Royalty plc Fralis International LLC Gaming Realms plc Pala Interactive Canada Limited Pala Interactive LLC	BP Gaming Entertainment, Inc. Bwin.party Digital Entertainment plc Peerless Media Ltd. Real Time Edge Software Inc. World Gaming Limited
Colin Sturgeon	ETC Communications Limited Lindsay & Partners Limited	Affinity Sutton Funding Limited Affinity Sutton Group Limited Channel Services Limited Clarion Housing Group Limited Krupaco Finance (UK) Limited RBC Pension Trustees Limited
Nigel Brewster	ND Brewster Associates Limited Starcount Group Limited	ADP Dental Group Beach Finance Bond Limited Beach Mezzanine Limited Church Point (Leisure) Limited Dome BidCo Limited Dome Holdings Limited

JPJ Directors	Current Directorships/Partnerships	Previous Directorships/ Partnerships
		Dome OpCo Limited Dome PropCo Limited Dome StructureCo Limited GB Holiday Parks (Holdings) Limited GB Holiday Parks Limited Health Counter Limited Lake District Leisure Pursuits Limited Manor Park Holiday Park Limited Midland Road Finance Limited Park Resorts Group Limited Park Resorts Holdings Limited Park Resorts Limited Park Resorts Transport Limited Park Resorts UK Limited Regent BidCo Limited Regent MidCo Limited Regent TopCo Limited Skipsea Sands Holiday Park Limited South Lakeland Caravans Limited South Lakeland Group Limited South Lakeland Holidays Limited South Lakeland Leisure Estates Limited South Lakeland Parks Limited Southview Leisure Park Limited Tyson BidCo Limited Tyson MidCo Limited Tyson TopCo Limited Valley Farm Camping Ground Limited
Andria Vidler	Centaur Communications Limited Centaur Engineering Limited Centaur Human Resources Limited Centaur Media plc Centaur Media Travel & Meetings Limited Centaur Newco 2018 Limited Chiron Communications Limited E-Consultancy.com Market Makers Incorporated Limited Mayfield Publishing Limited Pro-Talk Limited Professional Publishers Association Limited	Centaur Consumer Exhibitions Ltd Centaur Financial Platforms Limited Ascent Publishing Limited EMI Music UK & Ireland Marketing Group of Great Britain Perfect Information Limited The Roundhouse Trust

JPJ Directors	Current Directorships/Partnerships	Previous Directorships/ Partnerships
	Taxbriefs Limited Taxbriefs Holdings Limited Tech London Advocated TheLawyer.com Limited The Media Trust Venture Business Research Limited Xeim Limited Your Business Magazine Limited	

Proposed Directors	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Lee Fenton	Gamesys (Holdings) Limited Gamesys Limited Livescore SRO Rabbitfoot Games (UK) Limited Livescore Sports & Media Limited	Circuscode Limited (formerly Gamesys Social Games Limited)
Robeson Reeves	Gamesys (Holdings) Limited Gamesys Limited Rabbitfoot Games (UK) Limited Livescore Sports & Media Limited	-

Senior Managers	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Irina Cornides	Cresco Ltd	Solid Innovations—Gibraltar
Robert Bressler	-	-
Daniel Talisman	-	Centrebet UK Limited Chelsea Stores (EBT Trustee) Limited Chelsea Stores Holdings Limited Chelsea Stores Holdings 2 Limited Childrens World Limited Clothing Retailers Limited Danbook Ltd Early Learning Centre Limited Galleria Limited Gurgle Limited Interactive Sports Ltd Mini Club UK Limited Mothercare Business Services Limited Mothercare Employees' Share Trustee Limited Mothercare Finance Limited Mothercare Group Limited (THE) Mothercare (Holdings) Limited Mothercare PLC Mothercare Shops Group Mothercare Sourcing Limited Mothercare Toys 2 Limited Mothercare Toys 3 Limited Mothercare UK Limited

Senior Managers	Current Directorships/Partnerships	Previous Directorships/ Partnerships
		Princess Products Limited Priorityclear Ltd Retail Clothing Limited Sportingbet Holdings Ltd Sportingbet (IT Services) Ltd Sportingbet Limited Sportingbet (Management Services) Ltd Sportingbet (Product Services) Ltd Sporting Odds Ltd TCR Properties Limited The Sportingbet Foundation Ltd

6.2 Save as set out below, within the period of five years preceding the date of this document none of the JPJ Directors, the Proposed Directors or Senior Managers:

(a) has had any convictions in relation to fraudulent offences;

(b) has been a member of the administrative, management or supervisory bodies or a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director or member of an administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company.

Keith Laslop previously served as Chief Operating Officer of Gerova Financial Group Ltd. ("**Gerova**") from June 2010 to September 2010 and as director of Gerova from May 2008 to February 2011. Following the release of a report by a firm believed by Gerova to be a short seller and the subsequent decline in Gerova's stock price, class action lawsuits and legal claims were filed beginning in 2011 and named as defendants many of Gerova's then-current as well as former officers and directors, including Mr. Laslop. A number of these claims were settled in 2014 and one action in which Mr. Laslop has been named alongside 29 other defendants remains outstanding. However, the former President and Chairman of Gerova as well as a former Chief Executive Officer of a subsidiary of Gerova and certain related parties were convicted of securities fraud in connection with their personal transactions in Gerova securities, which transactions were made without notice to, or approval of, Gerova's board of directors. On 20 July 2012, Gerova began liquidation proceedings in Bermuda and filed a Chapter 15 petition in the US on 24 August 2012 to protect its US assets from creditors.

6.3 Save as set out in paragraph 18.1 (*Related Party Transactions*) of "*Part 11: Additional Information*" and below, none of the JPJ Directors, the Proposed Directors nor the Senior Managers has any actual or potential conflicts of interests between their duties to the Company and their private interests or other duties.

Jim Ryan is a director of Gaming Realms plc, a company with which the JPJ Group has entered into a ten-year framework services agreement, under which the JPJ Group will receive various real money services on favoured terms.

Following Completion, it is expected that Lee Fenton and Robeson Reeves will hold interests of no more than 5 per cent., respectively, in the Residual Sports Business. Lee Fenton and Robeson Reeves will also each hold a loan note in the Residual Sports Business in respect of a component of their fixed S share interest in Gamesys, such loan notes being for up to £150,000 in respect of Lee Fenton and £250,000 in respect of Robeson Reeves. Lee Fenton and Robeson Reeves will have no interest in the Residual Content Business or in Residual Business Holdco.

The JPJ Board monitors conflicts of interest, and has a number of policies in place to manage conflicts of interest and any potential related party transactions. As set out in paragraph 3 (*Governance*) in "*Part 4:*

Directors, Proposed Directors, Senior Managers and Corporate Governance", as part of the Acquisition, the JPJ Board has established a Conflicts Committee in order to assist the JPJ Board in discharging its responsibilities relating to the management of any actual, potential or perceived conflicts.

7. DIRECTORS', PROPOSED DIRECTORS' AND SENIOR MANAGERS' INTERESTS

7.1 The table below sets out the maximum interests of the JPJ Directors, the Proposed Directors and Senior Managers in respect of the share capital of the Company as at the Latest Practicable Date and immediately following Admission, based on the assumptions that the holdings of such persons in the JPJ Group as at the Latest Practicable Date do not change, 33,653,846 JPJ Shares are issued in connection with the Acquisition, and no other issues of JPJ Shares occur between the date of this document and Admission:

	As at the Latest Practicable Date		**Immediately following Admission**	
	Number of JPJ Shares	**Percentage of the Company's issued share capital**	**Number of JPJ Shares**	**Percentage of the Company's issued share capital**
JPJ Directors				
Neil Goulden	95,000	0.13	95,000	0.09
Simon Wykes	7,031	0.01	7,031	0.01
Keith Laslop	908,606	1.22	908,606	0.84
Jim Ryan	10,000	0.01	10,000	0.01
Colin Sturgeon	5,000	0.01	5,000	<0.01
Nigel Brewster	5,000	0.01	5,000	<0.01
Andria Vidler	-	-	-	-
Proposed Directors				
Lee Fenton	13,252	0.02	737,042[1]	0.68[1]
Robeson Reeves	20,149	0.03	750,388[1]	0.69[1]
Senior Managers				
Irina Cornides	-	-	-	-
Robert Bressler	11,775	0.02	11,775	0.01
Daniel Talisman	6,582	0.01	6,582	0.01

(1) Although the number of New JPJ Shares to be issued to all Gamesys Shareholders in aggregate is fixed (at 33,653,846 JPJ Shares), the distribution of those Consideration Shares amongst the Gamesys Shareholders will, in part, be a function of the Gamesys Group Reorganisation (which is expected to occur approximately one week prior to Completion) and calculated with reference to (i) the Reorganisation Reference Price; and (ii) the Residual Business Valuation. Accordingly, the numbers quoted are based on the Gamesys Group Reorganisation as if it had occurred at the Latest Practicable Date and therefore (i) the price of the JPJ Shares as at the Latest Practicable Date of £7.32 per JPJ Share and (ii) the value of the Residual Sports Business and the Residual Content Business as at the Latest Practicable Date. Irrespective of the Reorganisation Reference Price and the Residual Business Valuation at the time of implementing the Gamesys Group Reorganisation, the maximum aggregate direct and indirect shareholdings of Lee Fenton and Robeson Reeves, immediately following Admission will not exceed 1.02 per cent. and 1.03 per cent., respectively.

7.2 As at the Latest Practicable Date, the following Directors and Senior Managers held options and/or awards to acquire JPJ Shares under the employee share plans as follows:

	Award Name	Date of Grant	Maximum Number of JPJ Shares	Exercise Price (if any)	Exercise period (if relevant)
JPJ Directors					
Neil Goulden	2016 SOP	8 Sep 2016	85,000	6.79	8 Mar 2019 – 8 Sept 2021
Simon Wykes	2018 LTIP	28 Mar 2018	57,365	N/A	N/A
Keith Laslop	2014 SOP	11 Feb 2014	170,076	2.42	up to 11 February 2019[(1)]
	2017 LTIP	24 May 2017	88,520	N/A	N/A
	2018 LTIP	28 Mar 2018	61,786	N/A	N/A
Senior Managers					
Irina Cornides	2014 SOP	7 Aug 2014	100,000	3.98	7 Aug 2017 – 7 Aug 2019
	2016 SOP	8 Sep 2016	50,000	6.79	8 Mar 2019 – 8 Sept 2021
	2018 LTIP	26 Mar 2018	57,435	N/A	N/A
Robert Bressler	2014 SOP	11 Feb 2014	27,206	2.42	11 Feb 2017 – 11 Feb 2019
	2015 SOP	20 Feb 2015	85,000	9.24	20 Feb 2018 – 20 Feb 2020
	2016 SOP	8 Sep 2016	75,000	6.79	8 Mar 2019 – 8 Sep 2021
	2017 LTIP	24 May 2017	47,479	N/A	N/A
	2018 LTIP	28 Mar 2018	33,139	N/A	N/A
Daniel Talisman	2017 LTIP	7 Sep 2017	14,337	N/A	N/A
	2017 LTIP	7 Sep 2017	4,061	7.386	7 Sep 2022 – 7 Sep 2027
	2018 LTIP	28 Mar 2018	36,948	N/A	N/A

Notes:

(1) The exercise period for the 2014 SOP options has been extended in accordance with the SOP rules as the participants have been unable to exercise their options due to there being a Blackout Period (as defined in the SOP rules). Participants will be able to exercise their options within ten business days immediately following the end of any relevant Blackout Period.

7.3 Save as set out in this paragraph 7 (*Directors', Proposed Directors' and Senior Managers' interests*) of "*Part 11: Additional Information*", following Admission no Director, Proposed Director or Senior Manager will have any interest in the share capital of the Company or any of its subsidiaries.

7.4 In so far as is known to the JPJ Group (based on voteholder notifications made under the Disclosure Guidance and Transparency Rules and/or the Market Abuse Regulation, and information provided to it by the Target Business), the following persons (other than JPJ Directors, Proposed Directors and Senior Managers) are, or are expected to be at Admission, directly or indirectly interested in three per cent. or more of the voting rights in respect of the JPJ Shares (based on the assumptions that the holdings of such persons in the JPJ Group as at the Latest Practicable Date do not change, 33,653,846 JPJ Shares are issued in connection with the Acquisition and no other issues of JPJ Shares occur between the Latest Practicable Date and Admission) are expected to be:

	As at the Latest Practicable Date		Immediately following Admission	
	Number of JPJ Shares[(1)]	Percentage of the Company's issued share capital[(1)]	Number of JPJ Shares[(1)]	Percentage of the Company's issued share capital[(1)]
HG Vora Special Opportunities Master Fund Limited	12,950,000	17.39	12,950,000	11.98
Goldman Sachs International	5,282,824	7.09	5,282,824	4.89
DNB Asset Management A/S	4,495,281	6.04	4,495,281	4.16
Intertain JerseyCo Limited[(2)]	3,539,328	4.75	3,539,328	3.27
Noel Hayden	2,427,708	3.26	16,152,368[(5)]	14.94[(5)]
Andrew Dixon[(3)]	551,262	0.74	5,725,871[(5)]	5.30[(5)]
Robin Tombs[(4)]	498,223	0.67	4,508,844[(5)]	4.17[(5)]

Notes:

(1) Including notifiable interests in voting rights in respect of certain financial instruments pursuant to DTR 5.3.1 R.

(2) JerseyCo was incorporated in order to facilitate the exercise of voting rights in the Company by the holders of Exchangeable Shares in Intertain following a reorganisation transaction in 2017 offering a share-for-share exchange of former Intertain shares for JPJ Shares. JerseyCo holds underlying shares in the Company, the voting rights of which are directed by holders in

exchangeable shares in Intertain pursuant to a power of attorney granted by JerseyCo to a voting trustee. When Exchangeable Shareholders exchange their Exchangeable Shares for ordinary shares in the Company, JerseyCo transfers the relevant number of ordinary shares to such holder. JerseyCo does not carry on any business except in connection with these functions and does not sit within the JPJ Group. Intertain has publicly announced that it intends to seek the approval of the holders of Exchangeable Shares to amend the Exchangeable Share Provisions to provide for the early redemption of the Exchangeable Shares. This amendment is subject to an approval of the Exchangeable Shareholders by a special resolution of not less than two-thirds of the Exchangeable Shares represented at the meeting to be called for the purpose of considering this amendment, either in person or by proxy. If this amendment is approved and the Exchangeable Shares redeemed as intended, it would have the effect of rationalising the Company's share structure.

(3) As at the Latest Practicable Date, Andrew Dixon's aggregate interest held directly or indirectly in the Company was 0.74 per cent. This consisted of (i) his 0.71 per cent. direct interest in the Company and (ii) his 0.03 per cent. indirect interest held through Woodhaven Trust. Immediately following Admission, Andrew Dixon's aggregate interest held directly or indirectly in the Company is estimated to be 5.30 per cent. This estimate consists of (i) his 5.22 per cent. direct interest in the Company and (ii) his 0.08 per cent. indirect interest held through Woodhaven Trust and is based on the assumptions set out in note (4) below.

(4) As at the Latest Practicable Date, Robin Tombs's and members of his family's aggregate interest held, directly or indirectly, in the Company was 0.67 per cent. This consisted of (i) his and members of his family's 0.65 per cent. direct interest in the Company and (ii) his and members of his family's 0.02 per cent. indirect interest held through Zing Trust. Immediately following Admission, Robin Tombs's and members of his family's aggregate interest held, directly or indirectly, in the Company is estimated be 4.17 per cent. This estimate consists of (i) his and members of his family's 4.10 per cent. direct interest in the Company and (ii) his and members of his family's 0.07 per cent. indirect interest held through Zing Trust and is based on the assumptions set out in note (4) below.

(5) Although the number of New JPJ Shares to be issued to all Gamesys Shareholders in aggregate is fixed at 33,653,846 JPJ Shares, the distribution of those Consideration Shares amongst the Gamesys Shareholders will, in part, be a function of the Gamesys Group Reorganisation (which is expected to occur approximately one week prior to Completion) and calculated with reference to (i) the Reorganisation Reference Price; and (ii) the Residual Business Valuation. Accordingly, the figures quoted are based on the Gamesys Group Reorganisation as if it had occurred at the Latest Practicable Date and, therefore, (i) the price of the JPJ Shares as at the Latest Practicable Date of £7.32 per JPJ Share and (ii) the value of the Residual Sports Business and the Residual Content Business as at the Latest Practicable Date. Irrespective of the Reorganisation Reference Price and the Residual Business Valuation at the time of implementing the Gamesys Group Reorganisation, the maximum aggregate direct and indirect shareholdings of Noel Hayden, Andrew Dixon and Robin Tombs, as defined above, immediately following Admission will not exceed, 15.32 per cent., 5.35 per cent. and 4.21 per cent., respectively.

7.5 None of the JPJ Shareholders referred to in the table set forth in paragraph 7.4 above has or will have voting rights which differ from those of any other JPJ Shareholder in respect of any JPJ Shares held by them.

7.6 The Company is not aware of any person who, immediately following Admission, directly or indirectly, jointly or severally, will own sufficient JPJ Shares to exercise control over the Company.

8. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Set out below is information on the employment and remuneration arrangements for the JPJ Directors.

8.1 Executive Directors

Neil Goulden

Mr. Goulden entered into a service agreement with the Company dated 15 February 2018. Pursuant to that agreement, Mr Goulden is entitled to an annual base salary of £300,000 per annum and is eligible to be considered for an annual bonus of up to 150 per cent. of salary for any year in which he does not participate in an equity incentive plan, and 125 per cent. of salary for any other year. Any award is calculated with reference to quantifiable targets to be set by the Company's Remuneration Committee annually and at its discretion. Mr. Goulden is also eligible to participate in an equity incentive plan in accordance with the rules of the relevant plan, though under the Company's current remuneration policy, he will not participate in any such plan. At least 50 per cent. of Mr Goulden's after-tax bonus for any year in which he does not participate in an equity incentive plan must be invested in shares in the Company which must ordinarily be retained until the end of a period of at least three years from the date on which the bonus is determined.

Further, pursuant to Mr. Goulden's service agreement, the Company may, in its sole and absolute discretion, terminate Mr. Goulden's employment at any time and with immediate effect by giving Mr. Goulden notice (orally or in writing) that it is exercising its right to do so and that it will make a payment to Mr. Goulden in lieu of notice equal to his salary and the equivalent value of his benefits under his agreement which he would have been entitled to receive for a period of 12 months, less income tax and national insurance contributions. The Company may elect to make such payments in equal monthly instalments during such period. Mr. Goulden has an obligation to seek alternative income during such period and the amount of the Company's payments to him are to be reduced by an amount equal to the amount of such income. Alternatively, the Company may give Mr. Goulden 12 months' notice of termination of his employment, in which case he would not be entitled to receive any such payment in lieu of notice. The Company may also terminate Mr. Goulden's agreement at any time with immediate effect without notice and without payment in lieu of notice in certain circumstances, including if Mr. Goulden is guilty of gross misconduct or serious negligence in connection with his employment or affecting the business or affairs of the Company, if he is convicted of certain offences, if he commits any serious or persistent breach or non-observance of the rules of any applicable regulatory authority, including the Financial Conduct Authority or otherwise becomes prohibited by law or the articles of association of the Company or any regulatory body applicable to the Company from being a director. Mr. Goulden may terminate his employment on six months' notice. In the case of any termination of Mr. Goulden's employment (other than for cause), he may be placed on "garden leave" for the duration of his notice period. The agreement contains other customary terms, including with respect to confidentiality and both non-competition and non-solicitation covenants that survive for six months and nine months following the termination of Mr. Goulden's employment, respectively.

Simon Wykes

CEO of Jackpotjoy Operations Agreement

Mr. Wykes is employed under an employment agreement with Jackpotjoy Operations as Chief Executive Officer, dated 16 March 2018 (the "**CEO Agreement**"). Mr. Wykes reports to the Executive Chairman of the JPJ Group.

Under the CEO Agreement, Mr. Wykes is entitled to an annual base salary of £370,000 per annum.

Mr. Wykes is eligible to be considered for an annual bonus of up to 125 per cent. of his salary payable in each bonus year and calculated with reference to quantifiable targets to be set by the Company's Remuneration Committee annually and at its discretion. Mr. Wykes is also eligible to participate in an equity incentive plan in accordance with the rules of the relevant plan. The maximum award level in respect of any financial year is 125 per cent. of salary, or 250 per cent. of salary in exceptional circumstances. Awards and vesting targets are at the Company's discretion.

Mr. Wykes is also entitled to 30 days' holiday per year, and to be reimbursed for all reasonable expenses wholly, properly and necessarily incurred by him in the course of performing his duties, including the cost of all international travel and accommodation when travelling for business, including to/from the JPJ Group's office in the United Kingdom. In 2018, it was agreed that Mr. Wykes was to carry out his global duties for the JPJ Group from a base outside the UK. A JPJ Board committee has agreed to reimburse Mr. Wykes for certain relocation costs up to the sum of £370,000. These costs must be incurred no later than 31 December 2019 and a claw back arrangement will apply if Mr. Wykes ceases employment with the JPJ Group before 1 November 2020. It has also been agreed that Mr. Wykes will be provided a company flat in Malta for a period of at least two years from 28 December 2018. He is entitled to up to 20 working days' paid sick leave in any period of 12 months at 100 per cent. of his salary.

Mr. Wykes is entitled to a sum equivalent to 10 per cent. of his gross basic salary (excluding bonuses) per annum in lieu of pension which is paid into a personal pension plan of his choosing.

The Company may terminate Mr. Wykes' employment on 12 months' written notice of termination at any time. It may terminate the employment with immediate effect if Mr. Wykes is found guilty of, among other things, gross misconduct, fraud, a serious breach of any rules or is convicted of a criminal offence.

Mr. Wykes may terminate the employment on six months' prior written notice. If notice has been provided by either the Company or Mr. Wykes to terminate the CEO Agreement, this will automatically terminate the agreement in accordance with the applicable notice periods as set out above.

The Company may (if it elects) terminate Mr. Wykes' employment at any time by paying Mr. Wykes a payment equal to the entire salary less income and national insurance contributions in lieu of the 12-month notice period. The CEO Agreement contains a garden leave provision which allows the Company to require Mr. Wykes not to perform any duties or specified duties during the notice period (if either party serves notice).

Mr. Wykes is subject to the following restrictive covenants for a period reduced by garden leave following the termination of the CEO Agreement for whatever reason: (a) for six months, non-competition with the restricted business, which is defined as parts of the business of the Company which Mr. Wykes was involved in to a material extent; (b) for nine months, either on his own behalf or on behalf of anyone competing with the Company, non-solicitation of any key employee, which includes, amongst others, any employee who could materially damage the interests of the Company or with whom he has had personal dealings within a 12-month period preceding the date of termination; and (c) at any time not representing himself as being connected with or interested in the business (other than as a former employee) and non-use of any registered or trading names associated with the Company.

Mr. Wykes is restricted under the CEO Agreement both during his employment and at any time after its termination directly or indirectly from using, disclosing or making copies of the Company's confidential information save in the proper course of his duties, as authorised by the Company or as may be required by law.

Transition Director

Mr. Wykes has agreed to assume the position of Transition Director of the Company for a period of 12 months from Completion, and by mutual consent his position as Chief Executive Officer of Jackpotjoy Operations will be redundant. As Transition Director, he will remain on the JPJ Board and will remain on the current terms and conditions of his employment for this period. If, after this period, he has not been offered or accepted an alternative permanent position within the Enlarged Group, he will be entitled to a redundancy payment as set out in the CEO Agreement, and a pro rata bonus entitlement for the financial year in which the redundancy takes effect.

Keith Laslop

Mr. Laslop is employed under an employment agreement with Intertain Bahamas Limited (now Jackpotjoy Operations) as Chief Financial Officer, dated 27 April 2017 (the "**JO Agreement**").

Mr. Laslop has a dual contract contractual status and has entered into a contract for services with the Company (the "**JPJ CFO Contract**") as Chief Financial Officer and director of the Company. It is anticipated that the working hours percentage under the JPJ CFO Contract will be 15 per cent. and Mr. Laslop shall not perform duties under the JO Agreement at such times as he is performing duties under the JPJ CFO Contract.

Under the JO Agreement, Mr. Laslop is entitled to an annual base salary of USD550,000 per annum multiplied by the working hours percentage under the JO Agreement. The working hours percentage under the JO Agreement is expected to be 85 per cent., so the salary shall be USD470,000. The working hours percentage under the JO Agreement is to be reviewed on a six-monthly basis and the salary shall be reviewed on an "upwards only basis" annually by the JPJ Board. He also has a car allowance of USD1,000 per month.

Mr. Laslop is eligible to be considered for an annual bonus of up to 125 per cent. of his salary payable in each bonus year and calculated with reference to quantifiable objectives to be set by the Remuneration Committee annually and at its discretion. Mr. Laslop is also eligible to participate in an equity incentives plan in accordance with the rules of the relevant equity incentives plan. The maximum award level in respect of any financial year is 125 per cent. of salary, or 250 per cent. of salary in exceptional circumstances. Awards and vesting targets are at the Company's discretion.

The Company will also pay the full cost of medical expenses that Mr. Laslop or his immediate family may incur (maximum amount of USD100,000 per annum). Mr. Laslop is also entitled to 6 weeks' holiday per year, and to be reimbursed for all reasonable out-of-pocket expenses properly incurred by him in the course of carrying out his duties. He is entitled to up to 13 weeks' paid sick leave per annum at 100 per cent. of his salary and a further 13 weeks' paid sick leave per annum at 50 per cent. of his salary.

The JO Agreement does not refer to a pension plan or any other plan that provides payment or benefits at, following or in connection with retirement.

The Company may terminate Mr. Laslop's employment on 12 months' notice of termination, irrespective of the reason for termination. It may terminate the employment with immediate effect at any time for cause (as such term is defined in the JO Agreement and includes, among other things, gross misconduct or gross negligence that is materially harmful to the Company). Mr. Laslop may terminate his employment with immediate effect for good reason (as such term is defined in the JO Agreement and includes, among other things, certain adverse or non-consensual changes to Mr. Laslop's employment and remuneration) or may terminate the employment without good reason by giving the Company 6 months' notice of termination.

If notice has been provided by either the Company or Mr. Laslop to terminate the JPJ CFO Contract, this will automatically terminate the agreement in accordance with the applicable notice periods as set out above.

If Mr. Laslop's employment is terminated for any reason, the Company is to pay him: (a) an amount equal to the salary earned by him and car allowance up to the date of termination and any outstanding vacation pay calculated as of such date; (b) his annual bonus payable pro rata of the number of days he was employed in the full bonus year; and (c) any expenses incurred by him up to and including the date of termination. If the JO Agreement is terminated for cause or by Mr. Laslop without good reason, he will not be entitled to an annual bonus payment.

The Company may (if it elects) terminate Mr. Laslop's employment without cause by paying Mr. Laslop a payment equal to the entire salary and car allowance in lieu of the 12-month notice period along with any bonus entitlements payable.

In the event of a change of control, Mr. Laslop may terminate his employment for good reason, however, such change of control will cease to be a good reason 180 calendar days after Mr. Laslop first becomes aware of it. The definition of change of control in the agreement includes, among other things, any change in the holding, direct or indirect, of the shares of the Company as a result of which a person or group of persons acting jointly or in concert are in a position to exercise effective control of the Company.

Mr. Laslop is subject to the following restrictive covenants for a period of 6 months (reduced by any period of garden leave) following the termination of the JO Agreement for whatever reason and with or without cause: (a) non-solicitation of any person either on his own behalf or on behalf of anyone competing with the Company, who has been a customer or supplier of the Company and with whom he has had direct or indirect dealings within a 12-month period preceding the date of termination; (b) non-disclosure of confidential information obtained during the course of his employment; and (c) non-solicitation of any employee who is employed or engaged as a senior manager of the Company and is in possession of confidential information with whom Mr. Laslop had material contact during his employment.

8.2 **Independent Non-Executive Directors**

The Senior Independent Director and the other Independent Non-Executive Directors are all engaged by the Company on substantially the same terms, save that the appointment letter for the Senior Independent Director contains standard provisions relating to the additional duties required by his particular role.

The appointment of each of these individuals is for a fixed term of three years expiring on the third anniversary of the Company's next annual general meeting, but may be terminated earlier by the Company or the individual giving to the other not less than one month's written notice. Their appointment and any subsequent re-appointment is also subject to (a) the Articles; and (b) re-election by the shareholders of the Company at each annual general meeting. If they are not re-elected by the shareholders at an annual general meeting for any reason, their appointment will automatically terminate. The Company is also entitled to terminate their appointment with immediate effect without notice or pay in lieu of notice for cause, for example, if they (i) are guilty of gross misconduct or serious negligence, (ii) are convicted of an arrestable criminal offence (other than a road traffic offence for which a non-custodial penalty is imposed or (iii) become prohibited by law or the Articles or any regulatory body applicable to the Company from being a director. Upon ceasing to be a director, they are not entitled to receive any payments or benefits other than accrued fees for services up to the termination date and reimbursement for any outstanding reasonably incurred expenses.

The Company is required to obtain directors' and officers' liability insurance for the Senior Independent Director and the other Independent Non-Executive Directors, subject to the provisions governing the insurance and on such terms as the JPJ Board may decide. They also benefit from any indemnity that may be contained in the Articles from time to time. Their appointment letters contain standard provisions regarding confidentiality, conflicts of interest, and regarding their right to obtain, at the Company's expense, such external independent professional advice as is reasonably necessary to perform their duties.

The Senior Independent Director and the other Independent Non-Executive Directors are expected to devote at least 2 days per month to their duties. Their basic fee will be £65,000 per annum, with an additional £5,000 per annum for each JPJ Board committee they are required to chair, and the Senior Independent Director will receive an additional £10,000 per annum for the additional duties required of that role.

The Independent Non-Executive Directors' fees, as well as the additional fees for committee chairs, are set out as follows:

Position	Fees from 1 January 2019
Basic fee paid to all Independent Non-Executive Directors	£65,000
Senior Independent Director	£10,000
Remuneration Committee Chairman	£ 5,000
Audit and Risk Committee Chairman	£ 5,000

8.3 **Proposed Directors**

Lee Fenton

It is proposed that Mr. Fenton will be employed under a service agreement with the Company as Chief Executive Officer (the "**Proposed CEO Agreement**"). Mr. Fenton would report to the Executive Chairman of the Company's Board.

Under the Proposed CEO Agreement, Mr. Fenton would be entitled to an annual base salary of £500,000 per annum.

Mr. Fenton would be eligible to participate in the Company's long-term incentive plan ("**LTIP**") in accordance with the rules of the relevant LTIP plan. He would also be eligible to participate in the Company's annual discretionary bonus scheme in respect of each financial year and subject to the conditions determined from time to time.

Mr. Fenton would be entitled to 30 days' holiday per year in addition to the usual UK public holidays. He would be entitled to up to 20 working days' paid sick leave in any period of 12 months at 100 per cent. of his salary. Mr. Fenton would be reimbursed for all reasonable expenses wholly, properly and necessarily incurred by him in the course of performing his duties.

Mr. Fenton would be entitled to participate in private medical insurance for him and his immediate dependants, life assurance, permanent health insurance and directors' and officers' liability insurance put in place by the Company.

Mr. Fenton would be entitled to a sum equivalent to 10 per cent. of his gross basic salary (excluding bonuses) per annum to be contributed to a personal pension plan of his choosing.

The Company may terminate Mr. Fenton's employment on 12 months' written notice of termination at any time. It may terminate his employment with immediate effect at any time if Mr. Fenton is found guilty of, among other things, gross misconduct, fraud, a serious breach of any rules adopted by the Company or is convicted of a criminal offence or it is the Company's reasonable opinion that Mr. Fenton is seriously negligent or seriously incompetent in the performance of his duties. Mr. Fenton may terminate the employment on six months' prior written notice.

The Company may (if it elects) terminate Mr. Fenton's employment at any time by paying him a payment equal to his salary and the equivalent value of his benefits less income and national insurance contributions in lieu of his notice period (or, if applicable, the remainder of such notice period). The Company may elect to pay the payment in lieu of notice in equal monthly instalments during what would otherwise have been the notice period. Mr. Fenton is obliged to seek alternative income during this period and to immediately notify the Company of any such income received. The instalment payments will then be reduced by the amount of such income. The Proposed CEO Agreement contains a garden leave provision which allows the Company to require Mr. Fenton not to perform any duties or specified duties during the notice period (if either party serves notice).

Mr. Fenton would be subject to the following restrictive covenants for a period reduced by garden leave following the termination of the Proposed CEO Agreement: (a) 12 month non-competition with the "Restricted Business" (as defined therein), which is defined as parts of the business of the Company which Mr. Fenton was involved in to a material extent in the 12 months prior to the termination of the

Proposed CEO Agreement; (b) 12 month restriction on being engaged, concerned or involved with the business of Content Holdco or Sports Holdco (other than to the extent of his existing interest) save that such restriction will not apply: (i) in respect of ContentCo if specified individuals have ceased to retain an interest in that company; and (ii) in respect of SportsCo if specified individuals have ceased to retain an interest in that company; (c) 12 month non-solicitation of a "Key Employee" (as defined therein), which is defined as a person employed by the Company or the Company's group as vice president or above, any person in the finance department (save as for anyone carrying out a purely administrative function), or any other person employed by the Company or the Company's group who could materially damage the interests of the Company or the Company's group to whom Mr. Fenton (or any person who reported directly to Mr Fenton) has had dealings within the 12 months before the termination of the Proposed CEO Agreement; (d) 12 month non-employment and non-engagement of a Key Employee in any business in competition with the Restricted Business; (e) 12 month non-employment and non-engagement of a Key Employee in any business in competition with the Restricted Business in Content Holdco or in Sports Holdco; (f) 12 month restriction on dealing with "Suppliers" (as such term is defined therein) or endeavouring to entice any Supplier to cease conducting business with or reduce the amount of business done with the Company's group; (g) 12 month restriction on dealing with "Customers" (as such term is defined therein) or endeavouring to entice any Customer to cease conducting business with or reduce the amount of business done with the Company's group; (h) restriction without limit in time regarding making statements publicly or to any third party which may be harmful to the reputation of the Company's group; and (i) restriction without limit in time regarding representing himself as being connected with or interested in the business (other than as a former employee) and non-use of any registered or trading names associated with the Company.

Mr. Fenton would be restricted under the Proposed CEO Agreement both during his employment and at any time after its termination directly or indirectly from using, disclosing or making copies of the Company's confidential information save in the proper course of his duties, as authorised by the Company or as may be required by law.

Robeson Reeves

It is proposed that Mr. Reeves will be employed under a service agreement with the Company as Chief Operating Officer (the "**Proposed COO Agreement**"). Mr. Reeves would report to the Executive Chairman of the Company's Board.

Under the Proposed COO Agreement, Mr. Reeves would be entitled to an annual base salary of £350,000 per annum.

Mr. Reeves would be eligible to participate in the Company's LTIP in accordance with the rules of the relevant LTIP plan. He will also be eligible to participate in the Company's annual discretionary bonus scheme in respect of each financial year and subject to the conditions determined from time to time.

Mr. Reeves would be entitled to 30 days' holiday per year in addition to the usual UK public holidays. He would be entitled to up to 20 working days' paid sick leave in any period of 12 months at 100 per cent. of his salary. Mr. Reeves would be reimbursed for all reasonable expenses wholly, properly and necessarily incurred by him in the course of performing his duties.

Mr. Reeves would be entitled to participate in private medical insurance for him and his immediate dependants, life assurance, permanent health insurance and directors' and officers' liability insurance put in place by the Company.

Mr. Reeves would be entitled to a sum equivalent to 10 per cent. of his gross basic salary (excluding bonuses) per annum to be contributed to a personal pension plan of his choosing.

The Company may terminate Mr. Reeves' employment on 12 months' written notice of termination at any time. It may terminate his employment with immediate effect at any time if Mr. Reeves is found guilty of, among other things, gross misconduct, fraud, a serious breach of any rules adopted by the Company or is convicted of a criminal offence or it is the Company's reasonable opinion that Mr. Reeves is seriously negligent or seriously incompetent in the performance of his duties. Mr. Reeves may terminate the employment on six months' prior written notice.

The Company may (if it elects) terminate Mr. Reeves' employment at any time by paying him a payment equal to his salary and the equivalent value of his benefits less income and national insurance contributions in lieu of his notice period (or, if applicable, the remainder of such notice period). The Company may elect to pay the payment in lieu of notice in equal monthly instalments during what would otherwise have been the notice period. Mr. Reeves is obliged to seek alternative income during this period and to immediately notify the Company of any such income received. The instalment payments will then be reduced by the amount of such income. The Proposed COO Agreement contains a garden leave provision which allows the Company to require Mr. Reeves not to perform any duties or specified duties during the notice period (if either party serves notice).

Mr. Reeves would be subject to the following restrictive covenants for a period reduced by garden leave following the termination of the Proposed COO Agreement: (a) 12 month non-competition with the "Restricted Business" (as defined therein), which is defined as parts of the business of the Company which Mr. Reeves was involved in to a material extent in the 12 months prior to the termination of the Proposed COO Agreement; (b) 12 month restriction on being engaged, concerned or involved with the business of Content Holdco or Sports Holdco (other than to the extent of his existing interest) save that such restriction will not apply: (i) in respect of ContentCo if specified individuals have ceased to retain an interest in that company; and (ii) in respect of SportsCo if specified individuals have ceased to retain an interest in that company; (c) 12 month non-solicitation of a "Key Employee" (as defined therein), which is defined as a person employed by the Company or the Company's group as vice president or above, any person in the finance department (save as for anyone carrying out a purely administrative function), or any other person employed by the Company or the Company's group who could materially damage the interests of the Company or the Company's group to whom Mr. Reeves (or any person who reported directly to Mr Reeves) has had dealings within the 12 months before the termination of this Proposed COO Agreement; (d) 12 month non-employment and non-engagement of a Key Employee in any business in competition with the Restricted Business; (e) 12 month non-employment and non-engagement of a Key Employee in any business in competition with the Restricted Business in Content Holdco or in Sports Holdco; (f) 12 month restriction on dealing with "Suppliers" (as such term is defined therein) or endeavouring to entice any Supplier to cease conducting business with or reduce the amount of business done with the Company's group; (g) 12 month restriction on dealing with "Customers" (as such term is defined therein) or endeavouring to entice any Customer to cease conducting business with or reduce the amount of business done with the Company's group; (h) restriction without limit in time regarding making statements publicly or to any third party which may be harmful to the reputation of the Company's group; and (i) restriction without limit in time regarding representing himself as being connected with or interested in the business (other than as a former employee) and non-use of any registered or trading names associated with the Company.

Mr. Reeves would be restricted under the Proposed COO Agreement both during his employment and at any time after its termination directly or indirectly from using, disclosing or making copies of the Company's confidential information save in the proper course of his duties, as authorised by the Company or as may be required by law.

8.4 Termination benefits

Save as set out in paragraph 8.1 (*Executive Directors*) and 8.2 (*Independent Non-Executive Directors*) of "*Part 11: Additional Information*", there are no existing or proposed service agreements between any Director and any member of the JPJ Group providing for benefits upon termination.

9. DIRECTORS' AND SENIOR MANAGERS' COMPENSATION

Compensation

In the year ended 31 December 2018, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any description whatsoever) to each of the JPJ Directors and the Senior Managers by members of the JPJ Group (or the relevant employer where it is not a member of the JPJ Group) was approximately £5,458,288. Of this amount, approximately £3,169,150 was paid to the JPJ Directors as set out below and approximately £2,289,138 was paid to the Senior Managers:

Name	Fees/basic salary	Bonus	Pension	Share-based awards	Benefits	Total
			(£000's)			
JPJ Directors						
Neil Goulden	300	277	-	-	7	584
Simon Wykes	370	212	44	463	-	1,089
Keith Laslop(1)	423	242	-	542	38	1,245
Jim Ryan	65	-	-	-	-	65
Colin Sturgeon	80	-	-	-	-	80
Nigel Brewster	70	-	-	-	-	70
Andria Vidler(2)	37	-	-	-	-	37

(1) Keith Laslop has a service agreement with the Company and a service agreement with Jackpotjoy Operations (its wholly owned subsidiary). The sums in the above table include remuneration earned under each agreement, where required. Keith Laslop's remuneration is paid in USD. For the purposes of the above table, these have been converted into pounds Sterling (£) using an exchange rate of 0.7501 for 2018.

(2) Andria Vidler was appointed as a non-executive director on 7 June 2018; the 2018 figures reflect her remuneration as a non-executive director from 7 June 2018 to 31 December 2018.

10. REMUNERATION

10.1 Overview of remuneration policy

The JPJ Directors' remuneration policy was approved by JPJ Shareholders at the 2018 Annual General Meeting of the Company held on 7 June 2018 and applies for three years from that date. A summary of the key terms of the JPJ Directors' remuneration policy is set out below.

10.2 Executive Directors' Remuneration Policy

Executive Directors' remuneration comprises a base salary, an annual bonus, a long-term incentive award and appropriate benefits and retirement benefits arrangements.

Salary

Base salaries are ordinarily reviewed annually. Any increases take account of salary increases awarded to the workforce as a whole, as well as a consideration of the performance of the Company, the individual's skill set and experience and external indicators such as inflation and prevailing market conditions.

Annual Bonus

The Executive Directors are eligible to participate in a cash bonus plan. The maximum annual bonus payable is up to 125 per cent. of base salary for the Executive Directors except the Executive Chairman. The maximum annual bonus payable to the Executive Chairman is 150 per cent. of base salary in years in which he does not participate in the LTIP and 125 per cent. of base salary for any other year. The annual bonus is designed to reward performance and is based on the achievement of performance conditions relating to the financial performance of the Company and delivery against strategic/individual measures.

Long Term Incentive Plan

The Executive Directors are eligible to participate in the JPJ Group long-term incentive plan. The maximum award of any Executive Director in any financial year is 125 per cent. of base salary, or 250 per cent. of base salary in exceptional circumstances.

A summary of the JPJ Group long-term incentive plan is set out below (see paragraph 11.2 (*JPJ Group's Long Term Incentive Plan*) in "*Part 11: Additional Information*").

Pensions and benefits

Each Executive Director receives pension contributions (or, in appropriate circumstances, a salary supplement) and other benefits which are designed to form part of a competitive, appropriate and cost-effective benefits package.

Share ownership guidelines

The JPJ Group has adopted shareholding guidelines which require Executive Directors to hold JPJ Shares equivalent to 200 per cent. of their base salary. Only JPJ Shares beneficially owned by an Executive Director and those subject to LTIP awards which have vested but have not been released (that is, which are in a holding period), or which have been released but have not been exercised, will count towards this guideline.

10.3 Independent Non-Executive Directors' Remuneration Policy

The Independent Non-Executive Directors are paid fees within a market competitive range reflecting individual experience, responsibilities of the role and expected time commitment.

The Independent Non-Executive Directors may also receive, where appropriate, benefits which are relevant to the requirements of the role, such as travel and other reasonable expenses.

Independent Non-Executive Directors are not eligible to participate in the Company's share schemes, incentive schemes or pension schemes.

11. EMPLOYEE SHARE PLANS

11.1 The JPJ Share Option Plan

Options over Intertain shares under The Intertain Group Limited Share Option Plan were exchanged for options of equivalent value over JPJ Shares on equivalent terms and subject to the same vesting conditions. The replacement options were granted under the JPJ Group's Share Option Plan ("**SOP**") and no further options will be granted under the SOP.

11.2 JPJ Group's Long Term Incentive Plan

The JPJ Board adopted, conditional on admission to trading on the London Stock Exchange of the JPJ Shares (which occurred on 25 January 2017), the LTIP.

The LTIP is a discretionary plan under which awards may be granted to Executive Directors and senior management.

Eligibility

Awards may be granted to selected employees of the JPJ Group (including Executive Directors) at the discretion of the Remuneration Committee.

Forms of awards

Awards under the LTIP may be granted in different forms as follows: (a) a conditional right to acquire JPJ Shares in the future at no cost, (b) an option with a nil or nominal exercise price or (c) a right to receive a cash amount based on the underlying value of a number of JPJ Shares. In this summary, references to "**JPJ Shares**" include the notional shares to which a cash-based award relates.

Overall plan limits

In any 10-year period, not more than five per cent. of the issued share capital of the Company may be issued under the LTIP and any other discretionary employees' share plans operated by the Company.

In any 10-year period, not more than 10 per cent. of the issued share capital of the Company may be issued under the LTIP and all other employees' share plans operated by the Company.

These limits do not include awards or options granted before Admission or awards or options which have lapsed but will include awards or options satisfied with treasury JPJ Shares as if they were newly issued JPJ Shares for so long as this is required by UK institutional investor guidelines.

Individual limits

The market value of JPJ Shares over which an award may be granted shall not exceed the maximum award value for Executive Directors permitted under the Company's directors' remuneration policy.

The Remuneration Committee will determine the value of awards to be granted to each participant in a financial year. Awards may be granted with a value of up to a maximum of 125 per cent. of base salary in normal circumstances, with the Remuneration Committee retaining discretion to grant awards up to a limit of 250 per cent. of base salary in exceptional circumstances.

Where an award under the main LTIP is linked to a "Qualifying Option" under the tax-qualifying schedule (see below), the JPJ Shares subject to the Qualifying Option will not count towards these limits.

Source of JPJ Shares

Awards under the LTIP may be granted over newly issued JPJ Shares, JPJ Shares held in treasury or JPJ Shares purchased in the market.

Timing of awards

Awards may normally only be granted within the six-week period beginning with the Company's announcement of its results for any period or on a day on which the Remuneration Committee determines that exceptional circumstances exist justifying the grant of awards. If a grant cannot be made at these times due to dealing restrictions, awards may be granted within the six week period beginning on the date the restrictions are lifted. No awards may be granted more than 10 years after the LTIP was adopted.

Performance conditions

Unless the Remuneration Committee decides otherwise, the vesting of awards is subject to the satisfaction of performance conditions set by the Remuneration Committee before the grant of an award and measured over a period of at least three financial years. The application of performance conditions to awards granted to Executive Directors is in line with the Company's remuneration policy.

The Remuneration Committee may amend or substitute a performance condition if an event occurs which causes the Remuneration Committee to consider that an amendment or substitution would be appropriate, provided that the revised performance condition would not be materially less difficult to satisfy. If an award is subject to more than one performance condition and performance is assessed before the end of the performance period, the Remuneration Committee may vary the weighting between performance conditions in its discretion to assess performance on the most appropriate basis.

Vesting of awards

In normal circumstances, awards will vest after the performance period to the extent the performance conditions have been met.

Awards without performance conditions will usually vest on the third anniversary of grant.

Holding period

Awards may be granted subject to a holding period of up to two years from vesting. During the holding period, the award is subject to malus and clawback (see below) but not to the leaver provisions, save that a participant will lose the award where he is summarily dismissed during the holding period.

An award that is subject to a holding period will normally be released following the end of the holding period. An award that is not subject to a holding period will ordinarily be released on the date of vesting.

Cash alternative

At any time before the JPJ Shares under award are delivered to a participant, the Remuneration Committee may elect, instead of delivering JPJ Shares, to pay cash to the participant equal to the market value of the JPJ Shares subject to the award (subject to deduction of tax or similar liabilities).

Dividend equivalents

The Remuneration Committee may decide at any time before an award is released that participants should receive an additional benefit calculated by reference to any dividends that they would have received during any part of the vesting and/or holding period if they had been the holders of vested JPJ Shares. The Remuneration Committee may determine the basis on which this additional benefit is calculated, including by assuming the reinvestment of the dividends into JPJ Shares. The benefit can be provided as a cash sum or in the form of JPJ Shares.

Tax-qualifying options

Part of the LTIP has been designed to meet the requirements of Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003, so that employees can be granted UK tax-qualifying market value options ("**Qualifying Options**"). Qualifying Options will have an exercise price equal to the market value of a JPJ Share at the date of grant and a participant may hold Qualifying Options over JPJ Shares with a market value of up to £30,000.

Awards under the main LTIP may be linked to a Qualifying Option, on the basis that the extent to which the award may be exercised will be scaled back to take account of any gain made on the exercise of the Qualifying Option, so that the pre-tax position is the same as if the option had not been granted.

The provisions of the LTIP summarised in this paragraph 11.2 (*JPJ Group's Long Term Incentive Plan*) apply to Qualifying Options, except as required by applicable tax legislation.

Malus and clawback

The Remuneration Committee may, at any time before an award has vested, decide to reduce the number of JPJ Shares to which an award relates ("malus"). Alternatively, the Remuneration Committee may, at any time after vesting up to the second anniversary of the vesting date, reduce the number of JPJ Shares to which an award relates during any holding period or require the participant to make a repayment in respect of an award ("clawback").

Malus and clawback may be applied where there is a corporate failure, material error or material misstatement of results, material failure of risk management, material misconduct by the participant or where information comes to light that, had it been known, would have affected the grant or vesting decision.

Leaving the JPJ Group

If a participant ceases employment by reason of death, their award will be released as soon as practicable, for unvested awards to the extent that any performance conditions have been met and, unless the Remuneration Committee determines otherwise, pro-rated for time across the performance period or, for any award not subject to performance conditions, the vesting period. If a participant ceases employment before an award vests by reason of ill-health, injury, disability, transfer of the employing company or business out of the JPJ Group, or for any other reason at the discretion of the Remuneration Committee, the award will usually be released on the normal release date, to the extent that any performance conditions have been met and, unless the Remuneration Committee determines otherwise, pro-rated for time across the performance period or, for any award not subject to performance conditions, the vesting period. If he ceases employment before an award vests for any other reason, the award will lapse on cessation.

If a participant ceases employment during the holding period for an award, the award will normally be released on the normal release date (unless the participant is summarily dismissed, in which case the award will lapse), unless the Remuneration Committee determines otherwise.

Takeovers and reorganisation

Awards will vest in the event of a change of control of the Company to the extent any performance conditions have been met up to the event in question and, unless the Remuneration Committee decides otherwise, will be pro-rated for time across the performance period or, for any award not subject to performance conditions, the vesting period. On an internal reorganisation, awards may be exchanged for equivalent awards in a different company rather than triggering the early vesting of awards.

If any other corporate events occur (such as a winding-up of the Company or a demerger, delisting, special dividend, or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of JPJ Shares), the Remuneration Committee may determine that awards will vest. In this case, awards will vest to the extent any performance conditions have been met up to the event in question and, unless the Remuneration Committee decides otherwise, will be pro-rated for time across the performance period or, for any award not subject to performance conditions, the vesting period.

Variation of capital

In the event of any variation in the share capital of the Company or a demerger, delisting or special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of JPJ Shares, the Remuneration Committee may make such adjustments as it considers appropriate to the number of JPJ Shares under award and/or any performance conditions.

General

Awards granted under the LTIP are not transferable except on death.

Awards do not form part of pensionable earnings.

Amendments

The Remuneration Committee can amend the LTIP in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the basis for determining a participant's entitlement to, and the terms of, the JPJ Shares or cash comprised in awards and the adjustment of awards on any variation of the Company's share capital.

Minor amendments can, however, be made without shareholder approval to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Any other amendment (other than to individual and plan limits) can also be made without shareholder approval to take account of local tax, exchange control or securities laws in any country. Any amendment that is to the material disadvantage of participants in relation to awards already granted to them requires their majority consent.

11.3 **The JPJ Share Incentive Plan**

Set out below is a summary of the principal features of the JPJ Share Incentive Plan (the "**SIP**").

The SIP is an all-employee share acquisition plan which has been designed to satisfy the relevant UK tax legislation. Participants may be awarded Free Shares and/or they may purchase Partnership Shares and (if appropriate) be awarded Matching Shares each as defined and as summarised below. Participants may also receive Dividend Shares (as defined below) in respect of any JPJ Shares held on their behalf under the SIP.

Operation

The SIP operates through a UK-resident trust (the "**SIP Trust**"). The trustee of the SIP Trust purchases or subscribes for JPJ Shares that are awarded to, or purchased on behalf of, participants in the SIP. A participant will be the beneficial owner of any JPJ Shares held on his behalf by the trustee of the SIP Trust. Any JPJ Shares held in the SIP Trust will rank equally with JPJ Shares then in issue.

If a participant ceases to be in relevant employment, he will be required to withdraw any Free Shares, Partnership Shares, Matching Shares and Dividend Shares from the SIP Trust (or the Free Shares, Partnership Shares, Matching Shares and Dividend Shares may be forfeited as described below).

Eligibility

Each time that the JPJ Board decides to operate the SIP, all UK resident tax-paying employees of the Company and its subsidiaries participating in the SIP must be offered the opportunity to participate (although executive directors will not be able to participate in the SIP until shareholders approve the inclusion of the SIP in the directors' remuneration policy of the Company, expected to occur in 2021). Other employees may be permitted to participate. Participants invited to participate must have completed a minimum qualifying period of employment before they can participate, as determined by the JPJ Board in relation to any award of JPJ Shares under the SIP, which may be different for each type of award from time to time. In the case of Free Shares (and, in certain circumstances, Partnership Shares and Matching Shares), that period must not exceed 18 months or, in certain other circumstances and only in the case of Partnership Shares or Matching Shares, 6 months.

Limit

In any 10-year period, not more than 10 per cent. of the issued share capital of the Company may be issued under the SIP and all other employees' share plans operated by the Company. JPJ Shares transferred out of treasury under the SIP will count towards these limits for so long as this is required under institutional investor guidelines. In addition, SIP Shares which are renounced or lapse or any JPJ Shares which the trustees of the SIP Trust or any other employee benefit trust purchase in the market in order to satisfy an award or option shall be disregarded for the purposes of these limits.

Free Shares

JPJ Shares with a value of up to £3,600 may be awarded for free to each employee in a tax year ("**Free Shares**"). Free Shares must be awarded on the same terms to each employee, but the number of Free Shares awarded can be determined by reference to the employee's remuneration, length of service, number of hours worked and, if the Company so chooses, the satisfaction of performance targets based on business results or other objective criteria. There is a holding period of between three and five years (the precise duration to be determined by the JPJ Board) during which the participant cannot withdraw Free Shares from the SIP Trust (or otherwise dispose of the Free Shares) unless the participant leaves relevant employment.

The JPJ Board, at its discretion, may provide that Free Shares will be forfeited (for no consideration) if the participant leaves relevant employment other than in the circumstances of injury, disability, redundancy, retirement, by reason of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or, if the relevant employment is employment by an associated company, by reason of a change of control or other circumstances ending that company's status as an associated company (each a "**Good Leaver Reason**") or on death. Forfeiture can only take place within three years of the Free Shares being awarded.

Partnership Shares

The JPJ Board may allow an employee to use pre-tax salary to buy further JPJ Shares ("**Partnership Shares**"). The maximum limit is the lower of £1,800 or 10 per cent. of pre-tax salary in any tax year. The minimum salary deduction permitted, as determined by the JPJ Board, must be no greater than £10 on any occasion. The salary allocated to Partnership Shares can be accumulated for a period of up to 12 months (the "**Accumulation Period**") or Partnership Shares can be purchased out of deductions from the participant's pre-tax salary when those deductions are made. A participant and the Company may agree to vary the amount of salary deductions and the intervals of those deductions. If there is an Accumulation Period, the number of JPJ Shares purchased will be determined by dividing the participant's aggregate pay deducted during the Accumulation Period by the market value of the Partnership Shares.

Once acquired, Partnership Shares may be withdrawn from the SIP by the participant at any time, although this will give rise to income tax and national insurance contributions charges in certain circumstances.

At the discretion of the JPJ Board, Partnership Shares may be subject to forfeiture on cessation of employment (except for a Good Leaver Reason or on death), provided they are offered for sale for a price equal to the lower of the market value of the Partnership Shares at the time of their sale or the price paid for those Partnership Shares.

Matching Shares

The JPJ Board may, at its discretion, offer further JPJ Shares free to an employee who has purchased Partnership Shares ("**Matching Shares**"). If awarded, Matching Shares must be awarded on the same basis to all participants up to a maximum of two Matching Shares for every Partnership Share purchased (or such other maximum as may be provided by statute). There is a holding period of between three and five years (the precise duration to be determined by the JPJ Board) during which the participant cannot withdraw the Matching Shares from the SIP Trust unless the participant leaves relevant employment.

The JPJ Board, at its discretion, may provide that the Matching Shares will be forfeited (for no consideration) if the participant leaves relevant employment other than for a Good Leaver Reason or on death. Forfeiture can only take place within three years of the Matching Shares being awarded.

Re-investment of dividends

The JPJ Board may allow or require a participant to re-invest the whole or part of any dividends paid on JPJ Shares held on their behalf in the SIP, into further JPJ Shares ("**Dividend Shares**"). Dividend Shares must be held in the SIP Trust for no less than three years.

Once acquired, on cessation of employment, Dividend Shares may be subject to forfeiture (except for a Good Leaver Reason, or on death), provided they are offered for sale for a price equal to the lower of the market value of the Dividend Shares at the time of their sale or the amount of dividends originally reinvested into the Dividend Shares.

Takeovers and reorganisation

In the event of a general offer for the Company (or a similar takeover event taking place) during a holding period, participants will be able to direct the trustee of the SIP Trust as to how to act in relation to their JPJ Shares held in the SIP. In the event of a corporate reorganisation, any JPJ Shares held by participants may be replaced by equivalent shares in a new holding company.

Variation of capital

JPJ Shares acquired on a variation of share capital of the Company will usually be treated in the same way as the JPJ Shares acquired or awarded under the SIP, in respect of which the rights were conferred and as if they were acquired or awarded at the same time.

General

JPJ Shares granted under the SIP are not transferable except on death.

JPJ Shares in the SIP do not form part of pensionable earnings.

Amendments

The Company may at any time amend the rules of the SIP by resolution of the JPJ Board and may amend the SIP trust deed by way of a supplemental deed. The prior approval of the Company in general meeting must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, persons to whom the award must or may be made, individual or overall limits, the basis for determining a participant's entitlement to and the terms of JPJ Shares provided under the SIP, the price payable for JPJ Shares under the SIP by eligible employees and/or the adjustments that may be made in the event of any variation to the share capital of the Company; save that there are exceptions for any minor amendment to benefit the administration of the SIP, to take account of the provision of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its subsidiaries or the trustees of the SIP Trust. No modification can be made which would alter, to the disadvantage of any participant, the rights the participant has accrued under the SIP.

11.4 The JPJ Save As You Earn Plan

Set out below is a summary of the principal features of the JPJ Save As You Earn Plan (the "**SAYE**").

The SAYE is an all-employee savings-related share option plan which has been designed to satisfy the relevant UK tax legislation.

Form of awards

Awards under the SAYE are options ("**SAYE Options**") over JPJ Shares. Participants must enter into a linked savings contract with a bank or building society to make contributions from salary on a monthly basis over a three or five-year period. At the end of the savings agreement, either the SAYE Option is exercised using the savings contributions (and interest/bonus, if any) or the savings and any accrued interest/bonus are repaid.

Eligibility

Each time that the JPJ Board decides to offer the SAYE, all UK resident tax-paying employees of the Company and its subsidiaries participating in the SAYE must be offered the opportunity to participate (although executive directors will not be able to participate in the SAYE until shareholders approve the inclusion of the SAYE in the directors' remuneration policy of the Company, expected to occur in 2021). Other employees may be permitted to participate at the JPJ Board's discretion. Participants invited to participate may be required to have completed a minimum qualifying period of employment (which may be up to five years) before they can participate, as determined by the JPJ Board.

Overall plan limits

In any 10-year period, not more than 10 per cent. of the issued share capital of the Company may be issued under the SAYE and all other employees' share plans operated by the Company. JPJ Shares transferred out of treasury under the SAYE will count towards these limits for so long as this is required under institutional investor guidelines. In addition, SAYE Options which are renounced or lapse or any JPJ Shares an employee benefit trust purchases in the market in order to satisfy an award or option shall be disregarded for the purposes of these limits.

Employee contributions

Contributions may be made between £5 per month and the maximum permitted under the applicable legislation (currently £500 per month) or any lower maximum set by the JPJ Board. At the end of the three or five-year savings contract, participants may either withdraw their savings on a tax-free basis or use their savings and any bonus payable under the savings contract to acquire Shares under the linked SAYE Option.

SAYE Option price

The exercise price per JPJ Share will be the amount determined by the JPJ Board which will not be less than 80 per cent. (or such other percentage as is permitted by the applicable legislation) of the market value of a JPJ Share on the date specified by the JPJ Board for the purposes of the relevant invitation.

Scaling down

Applications to participate in the SAYE may be scaled down by the JPJ Board if applications exceed the number of JPJ Shares available for the grant of SAYE Options. The ways in which scaling down may be carried out are set out in the rules of the SAYE.

Exercise of SAYE Options

SAYE Options may normally only be exercised for a period of six months following the maturity of the related savings contract. If not exercised by the end of this period, the relevant SAYE Options will lapse. SAYE Options may be exercised early (to the extent of the savings and any interest due on the savings at that time) in certain specified circumstances, including death, injury, disability, redundancy, retirement, resignation more than three years after grant, or following the sale of the participant's employing company or business out of the group.

Corporate events

In the event of a general offer for the Company (or a similar takeover event taking place), SAYE Options may normally be exercised early with the proceeds of savings made under the linked savings contract and any interest due. Alternatively, participants may be allowed to exchange their SAYE Options for options over shares in the acquiring company.

Variation of capital

If there is a variation of share capital of the Company, the JPJ Board may make such adjustments to SAYE Options, including the number of JPJ Shares subject to the SAYE Options and the SAYE Option exercise price, as it considers to be fair and reasonable.

General

SAYE Options are not transferable except on death.

SAYE Options do not form part of pensionable earnings.

Amendments

The JPJ Board may amend the provisions of the SAYE in any respect. JPJ Shareholder approval must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an SAYE Option can be granted, the option price, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval.

The Company may make minor amendments to benefit the administration of the SAYE, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its other Group companies.

Amendments may not adversely affect the rights of participants except where participants are notified of such amendment and the majority of respondents approve such amendment, or where the JPJ Board considers the amendment to be a legal or regulatory requirement.

11.5 Employee Benefit Trust

The JPJ Group operates an employee benefit trust, the JPJ Group Employee Benefit Trust, which is not currently used. As at the Latest Practicable Date, the employee benefit trust held no JPJ Shares.

11.6 Outstanding options under the JPJ Group's employee share plans

Save as disclosed below, as at the Latest Practicable Date none of the share capital of any member of the JPJ Group is under option or agreed conditionally or unconditionally to be put under option.

Plan	Options/Awards outstanding
LTIP	409,329
SOP	2,134,576
Total	2,543,905

12. SUBSIDIARIES

12.1 JPJ subsidiaries and subsidiary undertakings

As at the Latest Practicable Date, the Company has the following significant subsidiary undertakings, each of which is owned, either directly or indirectly, by the Company and is consolidated or combined with the JPJ Historic Financial Information and will be consolidated into the annual financial statements of the Company:

Name	Jurisdiction of incorporation	Percentage of shares and voting rights held
Intertain CallCo ULC	Canada	100 per cent.
JPJ Holding Jersey Ltd	Jersey	100 per cent.
JPJ Jersey Ltd	Jersey	100 per cent.
The Intertain Group Limited	Ontario	100 per cent.
Wagerlogic Malta Holding Ltd	Malta	100 per cent.
Cryptologic Operations	Malta	100 per cent.
Cryptologic Trading Ltd	Malta	100 per cent.
Jet Management Group Ltd	Bahamas	100 per cent.
Jet Media Ltd	Gibraltar	100 per cent.
Wagerlogic Bahamas Ltd	Bahamas	100 per cent.
Dumarca Holdings Ltd	Malta	100 per cent.
Dumarca Gaming Ltd	Malta	100 per cent.
Plain Support SA	Costa Rica	100 per cent.
Intertainment Asia Inc	BVI	100 per cent.
Entserv Asia Ltd	BVI	100 per cent.
Silverspin AB	Sweden	100 per cent.
Fifty States Ltd	Isle of Man	100 per cent.
Solid (IOM) Ltd.	Isle of Man	100 per cent.
Fifty States (Gibraltar) Ltd	Gibraltar	100 per cent.
Solid Innovations Ltd.	Gibraltar	100 per cent.
Luxembourg Investment Company 192 S.a.r.l.	Luxembourg	100 per cent.
Wagerlogic Alderney Ltd	Alderney	100 per cent.
Wagerlogic Israel Ltd	Israel	100 per cent.
Intertain Management (UK) Ltd	United Kingdom	100 per cent.
JPJ Marketing Support Services Ltd.	United Kingdom	100 per cent.
Dumarca Asia Ltd	Hong Kong	100 per cent.
Simplicity V8 Hong Kong Ltd	Hong Kong	100 per cent.
Intertain Financial Services AB	Sweden	100 per cent.
Intertain Group Finance LLC	United States of America	100 per cent.
Plain Management Bahamas Ltd	Bahamas	100 per cent.
Libita Group Ltd	Bahamas	100 per cent.
Ludus Group Ltd	Bahamas	100 per cent.
Jackpotjoy Operations	Bahamas	100 per cent.
Golden Hero Group Ltd.	Bahamas	100 per cent.
JPJ (Sweden) Ltd	Bahamas	100 per cent.
JPJ Maple Ltd.	Bahamas	100 per cent.
Stockwell Ltd.	Bahamas	100 per cent.
JPJ Group Jersey Finance Ltd	Jersey	100 per cent.
JPJ Holdings II Ltd	Jersey	100 per cent.
JPJ Group Holdings Ltd	Jersey	100 per cent.
Dumarca Services Ltd	Malta	100 per cent.
JPJ Spain plc	Malta	100 per cent.
Simplicity Malta Ltd.	Malta	100 per cent.
JPJ Maple II Ltd.	Malta	100 per cent.

12.2 **Target Business subsidiaries and subsidiary undertakings**

As at the Latest Practicable Date, the significant subsidiary undertakings and associated undertakings of the Target Business are as follows:

Name	Jurisdiction of incorporation	Percentage of shares and voting rights held
Entertaining Play Limited	Gibraltar	100 per cent.
Gamesys Gibraltar Limited	Gibraltar	100 per cent.
Gamesys Network Limited	Malta	100 per cent.
Gamesys Spain Plc	Malta	100 per cent.
Gamesys US LLC	Delaware	100 per cent.
Juegos Espana Plc	Malta	100 per cent.
Leisure Spin Limited	Gibraltar	100 per cent.
Mice and Dice Limited	England	100 per cent.
Nozee Limited	Gibraltar	100 per cent.
Profitable Play Limited	Gibraltar	100 per cent.
Gamesys Estonia OU	Estonia	100 per cent.
Gamesys Limited	England	100 per cent.

13. WORKING CAPITAL

13.1 The Company is of the opinion that the working capital available to the JPJ Group is sufficient for its present requirements, that is, for at least 12 months from the date of this document.

13.2 The Company is of the opinion that the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least 12 months from the date of this document.

14. SIGNIFICANT CHANGE

14.1 Save for the Acquisition and as described below, there has been no significant change in the financial or trading position of the JPJ Group since 31 March 2019, being the end of the last financial period for which the JPJ Group's financial information has been published:

- on 13 June 2019, the Company entered into a commitment for an additional term loan facility commitment of aggregate additional euro equivalent of £175 million under the EUR TLB Loan Facility in connection with the financing of the Cash Consideration payable to the Gamesys Shareholders pursuant to the Acquisition.

14.2 Save for the Acquisition, there has been no significant change in the financial or trading position of the Target Business since 31 December 2018, being the end of the last financial period for which the Target Business's audited financial information has been published.

15. LITIGATION

15.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had, a significant effect on the Company's and/or the JPJ Group's financial position or profitability.

15.2 Save as described below, there are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document, which may have, or have had a significant effect on Target Group Holdco's and/or the Target Group's financial position or profitability.

On 8 October 2018, the GBGC wrote to Gamesys Gibraltar consolidating a number of cases relating to UK customers who had spent the proceeds of crime on gambling websites operated by companies within the Gamesys Group and who had been the subject of separate enquiries by the GBGC. In this letter, the GBGC informed Gamesys Gibraltar that, in its view, the AML checks which were undertaken by Gamesys Gibraltar in three of these cases were not adequate to meet Gamesys Gibraltar's obligations under the Money Laundering Regulations 2007 in that it failed to take adequate steps to verify the customers' underlying sources of funds and wealth. The GBGC also indicated that, in its view, Gamesys

Gibraltar had failed to comply with Social Responsibility Code provision 3.4.1 of the Licence Conditions and Codes of Practice attaching to its operating licence. The GBGC indicated that, having identified potential failings, a formal review of the operating licence could follow, and invited Gamesys Gibraltar to propose a regulatory settlement involving divestment of the proceeds of crime and a payment in lieu of a financial penalty, to avoid the need for formal enforcement action. On 22 October 2018, Gamesys Gibraltar responded with a regulatory settlement offer involving a total payment of £1,160,665 plus costs, comprising divestment of £460,472 (being the total amount to be returned to the victims of the underlying crimes), a payment in lieu of a penalty of £690,000 and a further payment to GambleAware of £10,193 representing the balance on one of the relevant accounts after the proposed divestment (plus a contribution to the GBGC's costs). On 14 March 2019, the GBGC indicated that it was minded to accept this proposal subject to agreement of certain terms, and also requested an update from Gamesys Gibraltar on a programme of retrospective application of enhanced AML checks being undertaken by Gamesys Gibraltar on key customer accounts. That update was provided and, on 12 June 2019, the GBGC announced that it had agreed to conclude the matter by way of regulatory settlement (on the terms set out above).The GBGC 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 cooperative throughout and actively self-identified the issues in each of the three cases.

In addition to the three cases identified by the GBGC as set out above, in late October 2018, the GBGC wrote to Gamesys Gibraltar requesting details in connection with an individual who had been convicted of fraud and who previously opened accounts on sites operated by Gamesys Gibraltar. The individual deposited a total of £65,000 into two of the accounts. Gamesys Gibraltar has provided details to the GBGC and initiated talks regarding disgorgement of the full £65,000. The GBGC requested Gamesys Gibraltar's permission to share the details with the City of London police to facilitate the divestment. Gamesys Gibraltar has accepted that its historic policies and procedures required improvement in order to protect the business from the use of criminal proceeds.

16. MATERIAL CONTRACTS OF JPJ

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the JPJ Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the JPJ Group and contain provisions under which any member of the JPJ Group has an obligation or entitlement which is, or may be, material to the JPJ Group as at the date of this document.

16.1 Sponsor's Agreement

On or around the date of this document, the Company and Canaccord entered into a sponsor agreement (the "**Sponsor Agreement**"). Pursuant to the Sponsor Agreement:

(a) the Company has appointed Canaccord as its sole sponsor (subject to and in accordance with the terms of the Sponsor Agreement);

(b) Canaccord has the right to terminate the Sponsor Agreement prior to Completion in certain circumstances, including if there is a material adverse change in the business of the JPJ Group;

(c) the Company has given certain warranties and undertakings to Canaccord;

(d) the Company has given a customary indemnity to Canaccord; and

(e) the Company has agreed to pay or cause to be paid (together with, in each case, any related VAT) certain fees to Canaccord, together with certain costs, charges and fees and expenses of, or in connection with, or incidental to, amongst other things, Admission.

16.2 Primary Sale Agreement

On 13 June 2019, the Primary Sale Agreement was entered into amongst the Company and the Gamesys Majority Shareholders 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.

The principal terms of the Primary Sale Agreement are set out below.

Gamesys Minority Shareholders

At or prior to Completion, all of the Gamesys Minority Shareholders will enter into a short form sale and purchase agreement with the Company to give effect to the Acquisition as it relates to such Gamesys Minority Shareholder (the "**Secondary Sale Agreement**"). Prior to entry into the Primary Sale Agreement certain Gamesys Minority Shareholders have granted a power of attorney to the directors of Gamesys to enter into the Secondary Sale Agreement and relevant documentation in respect of the Gamesys Group Reorganisation on behalf of such Gamesys Minority Shareholders. The Gamesys Majority Shareholders will seek a similar power of attorney from all other Gamesys Minority Shareholders prior to Completion. The Gamesys Majority Shareholders have agreed to procure that any Gamesys Minority Shareholders who have not signed a power of attorney prior to the completion of the Gamesys Group Reorganisation will be required to transfer their shares in Target Group Holdco to the Company pursuant to the drag along provisions which, following completion of the Gamesys Group Reorganisation, will be contained in the articles of association of Target Group Holdco.

Consideration

In consideration for the transfer of entire issued share capital of the Target Business, the Gamesys Shareholders will receive in aggregate:

(a) £250 million cash; and

(b) 33,653,846 million JPJ Shares (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to Completion)

In addition, the upfront cash component of 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 and the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) also have the right to receive further amounts in respect of rights to certain payments or value items to which members of the Target Group are entitled or may become entitled following Completion. Further details are provided in the paragraph headed "*Post-Completion payments relating to pre-Completion events or value items*" below.

£240 million of the cash Consideration shall be paid on Completion. The remaining £10 million of the cash component of the Consideration shall be deferred such that it shall be payable 30 months after Completion. The key provisions in respect of the Deferred Consideration are:

(a) interest shall accrue on the Deferred Consideration at a rate of LIBOR + 5 per cent. per annum; and

(b) the Company may, at its sole discretion, pay the Deferred Consideration and any interest accrued into the Escrow Account at any time prior to the date falling 30 months from Completion, whereupon such funds will be held on the terms of the Escrow Account.

In addition, the cash component of the Consideration is subject to an upwards or downwards price adjustment based on completion accounts as further described in the paragraph headed "*Completion Accounts*" below.

Completion deliverables and 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, including the following key conditions:

(a) the completion of the Gamesys Group Reorganisation;

(b) the publication of this document and, if required, any supplementary prospectus;

(c) the passing of the JPJ Shareholder Resolutions;

(d) a determination by the GBGC that all subsisting gambling operating licences issued by the GBGC to Gamesys Gibraltar and Gamesys Limited will continue to have effect from Completion;

(e) determination(s) having been made by the GBGC that Virgin Bet Limited, Rabbitfoot Gibraltar and Content Holdco's subsisting gambling operating licences will continue to have effect following completion of the Gamesys Group Reorganisation:

(f) the grant by the GBGC of any personal management licences to all relevant directors, officers, contractors and employees that are required to be held by such individuals to exercise their rights under, and comply with the terms of, the licences listed in (e) above;

(g) an approved transactional waiver having been received by New Jersey casino licensee Tropicana, Gamesys Limited and Gamesys US LLC from the DGE authorising Tropicana Atlantic City Corp. to engage in internet gaming-related business transactions with Gamesys Limited and Gamesys US LLC;

(h) an approved transactional waiver having been received by Tropicana Atlantic City Corp. and Content Holdco from the DGE, authorising Tropicana Atlantic City Corp. to engage in internet gaming-related business transactions with Content Holdco;

(i) approval from the Gibraltar Regulator of the Acquisition and any matters relating to the control, management and operation of Gamesys Gibraltar;

(j) grant by the Gibraltar Regulator of:

   (i) a remote bookmaker operating licence to Virgin Bet Limited and a remote gaming operator licence to Rabbitfoot Gibraltar; and

   (ii) any personal management licences (or any equivalent licence, permission, consent, authorisation or waiver) to all relevant directors, officers, contractors and employees of Virgin Bet Limited and Rabbitfoot Gibraltar required in connection with the remote bookmaker operating licence to Virgin Bet Limited and the remote gaming operator licence to Rabbitfoot Gibraltar;

(k) approval by the Gibraltar Regulator of the Gamesys Group Reorganisation and any matters pursuant to the Gamesys Group Reorganisation which relate to the control, management and operation of the entities holding the remote bookmaker operating licence to Virgin Bet Limited and the remote gaming operator licence to Rabbitfoot Gibraltar;

(l) approval having been granted by the MGA in respect of a change in qualifying shareholding in Rabbitfoot Games Limited as a result of the Gamesys Group Reorganisation;

(m) the FCA having acknowledged that its requirements for listing have been complied with in respect of the Existing JPJ Shares and the New JPJ Shares, including that the application for Admission has been approved and will become effective, and the London Stock Exchange having acknowledged that its requirements in respect of the Existing JPJ Shares being readmitted and the New JPJ Shares being admitted for trading on the Main Market have been complied with, in each case, conditional upon Completion; and

(n) payment of all unpaid deferred consideration payable under the Livescore Acquisition Agreement.

together (the "**Conditions**").

These conditions must be satisfied (or, where applicable, waived) by 31 December 2019 or any later date as the Company and a representative of the Gamesys Majority Shareholders may agree in writing.

In addition, at Completion, the Gamesys Majority Shareholders and the Company must deliver to each other executed versions of certain key transaction documents and other ancillary documents. Payment of the relevant consideration at Completion is subject to such deliverables having been provided by the relevant party in accordance with the terms of the Primary Sale Agreement. The Completion deliverables include the Transitional Services Agreement, the Games Licence Agreements, the lock-up agreements and orderly market agreements described in paragraph 16.9 (*Lock-Up and Orderly Marketing Agreements*) of "*Part 11: Additional Information*", the service agreements to be entered into by each of Lee Fenton and Robeson Reeves as described at paragraph 8.3 (*Proposed Directors*) of "*Part 11: Additional Information*" and the Secondary Sale Agreement from all of the Gamesys Minority Shareholders.

Completion Accounts

The upfront cash component of 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. The cash component of the Consideration will be increased by the amount by which the working capital of the Target Group exceeds the agreed working capital target or reduced by the amount by which the working capital of the Target Group is less than the agreed working capital target. The cash component of the Consideration will be increased by the amount of net debt (if net debt is a positive figure) or decreased by the amount of net debt (if net debt is a negative figure).

The adjustments will not take place until the completion accounts have been prepared and agreed (or determined by an expert if the parties cannot agree) by or on behalf of the parties to the Primary Sale Agreement following Completion. The Primary Sale Agreement contains specific accounting policies governing the manner in which the net debt and working capital amounts are calculated.

Pre-Completion estimates of the working capital and net debt price adjustments will be applied to adjust the amount of cash component of the Consideration paid to the Gamesys Shareholders at Completion. The final adjustment will be made once the completion accounts have been prepared and agreed (or determined by an expert if the parties cannot agree) following Completion.

Post-Completion payments relating to pre-Completion events or value items

Under the Primary Sale Agreement, the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) have the right to receive further amounts in respect of rights to certain payments or value items which members of the Target Group are entitled or may become entitled to in the future but which relate to pre-Completion events or value items. Payments to the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders) may arise post-Completion as and when such payments or value items are paid to or enjoyed by the Target Group (as applicable), including:

(i) 50 per cent. of any net proceeds received by the Target Group in connection with its ongoing participation in industry-wide class action lawsuits relating to payment card interchange fees in respect of which members of the Target Group are claimants. The expected quantum and timing of any such proceeds is unknown and will be determined by the outcome of the relevant proceedings which are ongoing; and

(ii) as described in paragraph 16.14 (*Operating Agreement*) of "*Part 11: Additional Information*", in consideration for the Additional Real Money Covenants, Jackpotjoy Operations agreed to pay Gamesys Gibraltar approximately £666,000 monthly in arrears over a 3-year period (in a total amount of £24 million), with the first payment on 30 April 2017. Following the Acquisition, Gamesys Gibraltar will be part of the JPJ Group and, therefore, any outstanding payments in relation to the Additional Real Money Covenants will not benefit the Gamesys Shareholders. As a result, the Primary Sale Agreement includes a provision that an amount equal to the balance of any unpaid amounts due, as at Completion, to Gamesys Gibraltar in consideration for the Additional Real Money Covenants, will be paid to the Gamesys Majority Shareholders (on behalf of all Gamesys Shareholders). If Completion occurs in the third quarter of 2019, this is expected to be approximately £5 million to £6 million, and will be payable on the later of 30 April 2020 and the date on which the final payment is due to be made under the completion accounts price adjustment mechanism in the Primary Sale Agreement.

Escrow and right of withholding and set-off

£20 million of the upfront cash component of the Consideration will be held in the Escrow Account for a period of 30 months following Completion. The amount held in escrow will be used to satisfy any bona fide claims (other than claims that are covered by warranty and indemnity insurance as described in paragraph 16.3 (*Gamesys Warranty and Tax Deed*) below against the Gamesys Shareholders under any Seller Transaction Document. If there are no such claims outstanding on the date falling 30 months after Completion then the balance of the amount held in escrow at such time will be paid to the Gamesys Shareholders. If there are any such claims outstanding then, until such claims are resolved, an amount may be retained in the Escrow Account equal to the Company's bona fide and reasonable estimate of the aggregate value of such claims, provided that the Company complies with a customary mechanism whereby a barrister is required to opine on the prospect of success of the relevant claims and, if practicable, the amount to be withheld in respect of such claims.

If a claim arises against any of the Gamesys Shareholders under any Seller Transaction Document, the Company has a right to withhold from any payment it owes to the Gamesys Shareholders following Completion an amount equal to the Company's bona fide and reasonable estimate of the aggregate value of such claims, provided that the Company complies with a customary mechanism whereby a barrister is required to opine on the prospect of success of the relevant claims and, if practicable, the amount to be withheld in respect of such claims

Break fee

The Company has agreed to pay Gamesys a break fee of £4,500,000 if the Primary Sale Agreement is terminated as a direct result of the JPJ Board failing to procure that, among other things, the Company complies with its obligations under the Primary Sale Agreement to recommend that the JPJ Shareholders approve the Acquisition.

The Gamesys Majority Shareholders have agreed to procure that Gamesys pays the Company a break fee of £4,500,000 if the Primary Sale Agreement is terminated as a direct result of any Gamesys Minority Shareholder failing to enter into a Secondary Sale Agreement.

Conduct before Completion and Termination

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.

If any of the following events occur prior to Completion, the Company is entitled to terminate the Primary Sale Agreement:

(a) any material breach of any of the customary title, capacity and business warranties given by the Gamesys Majority Shareholders in relation to the Target Group (and in respect of any member of the Gamesys Group to the extent it is transferring any assets or liabilities to the Target Group) as part of the Gamesys Group Reorganisation (the "**Warranties**") or any fact or matter arises which would constitute a material breach of the Warranties if they were repeated at any time before Completion;

(b) any matter arises which would or could amount to a material claim under the tax warranties and tax indemnities contained in the Gamesys Warranty and Tax Deed;

(c) the Company becomes aware that there is a material risk that the Gamesys Group Reorganisation may not be completed in accordance with its terms or a Gamesys Minority Shareholder may not complete the sale of their shares in Target Group Holdco at Completion;

(d) the Gamesys Majority Shareholders are in material breach of the restrictions in the Primary Sale Agreement governing the conduct of the Target Group during the period between exchange of the Primary Sale Agreement and Completion;

(e) any insolvency proceedings are commenced in relation to any of the Gamesys Shareholders or any member of the Target Group or their material assets;

(f) any member of the Target Group ceases to hold any of the gambling regulatory licences held at exchange of the Primary Sale Agreement or that any such licence has been suspended, cancelled or otherwise terminated;

(g) the Gibraltar Regulator, the GBGC, the DGE, or the Dirección General de Ordenación del Juego at any point between exchange of the Primary Sale Agreement and Completion takes, or threatens in writing to take, any action to restrain, delay or otherwise challenge the Acquisition, provided that such action has not been withdrawn to the satisfaction of the Company (acting reasonably and in good faith); or

(h) it is unlawful or contrary to applicable regulation for a lender under the JPJ Group's Senior Facilities Agreement to lend or participate in any utilisation under such agreement.

Governing Law

The Primary Sale Agreement is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

16.3 Gamesys Warranty and Tax Deed

On 13 June 2019, the Gamesys Warranty and Tax Deed was entered into among the Company, the Gamesys Majority Shareholders and Phillip Graham in connection with the Acquisition. Pursuant to the Gamesys Warranty and Tax Deed, the Gamesys Majority Shareholders have agreed to give the JPJ Group certain warranties and indemnities in connection with the Acquisition, and the Covenantors have agreed to give certain restrictive covenants.

The principal terms of the Warranty and Tax Deed are set out below.

Warranties

The Gamesys Majority Shareholders have given customary title, capacity and business warranties in relation to the Target Group (and in respect of any member of the Gamesys Group to the extent it is transferring any assets or liabilities to the Target Group as part of the Gamesys Group Reorganisation (the "**Warranties**"). The Warranties are given as at the date of the Gamesys Warranty and Tax Deed and are deemed to be repeated again at Completion. The Warranties are given subject to disclosures made by the Gamesys Majority Shareholders as at the date of the Gamesys Warranty and Tax Deed will also be given subject to supplemental disclosures given at Completion.

The Company has given customary title and capacity warranties and warranties in relation to the accuracy and completeness of certain information contained in this document to the extent such information relates to the JPJ Group.

Indemnities

The Gamesys Warranty and Tax Deed contains certain indemnities from the Gamesys Majority Shareholders to the Company in respect of, among other things, specific investigations of the GBGC, the allocation of the Consideration between the Gamesys Shareholders, historic liabilities under the Operating Agreement and residual liability under the Livescore Acquisition Agreement.

Tax

The Gamesys Majority Shareholders have given customary tax warranties and indemnities in relation to the Gamesys Group or the Target Group. The tax warranties are given as at the date of the Gamesys Warranty and Tax Deed and are deemed to be repeated as at Completion. The tax warranties are given subject to disclosures made by the Gamesys Majority Shareholders at the date of the Gamesys Warranty and Tax Deed and are also subject to supplemental disclosures given at Completion. The tax indemnities are given at the date of Completion and are not subject to disclosure.

Restrictive Covenants

Each of the Covenantors has, on a several basis, given various restrictive covenants under the terms of the Gamesys Warranty and Tax Deed, including restrictions on:

(a) the Residual Content Business and the Residual Sports Business offering or marketing bingo products to end users located in the Restricted Territories for the period of three years from Completion;

(b) the Residual Content Business supplying certain of its existing online games (which are high-earning games classified as "Tier 1" games) to any person in the Restricted Territories other than the Enlarged Group for the period of three years from Completion;

(c) the Residual Content Business supplying certain of its existing online games (which are lower-earning games classified as "Tier 2" games) to any person in the Restricted Territories other than the Enlarged Group or the Residual Sports Business (for use on the Virgin Bet site) for the period of three years from Completion;

(d) competing with the whole or part of the Target Business as carried out at Completion in the Restricted Territories for the period of three years from Completion; this restriction does not apply to the activities of the Residual Content Business or the Residual Sports Business (being the business of making available online bingo, slots, casino, live casino, and/or poker games to consumers in any of the Restricted Territories);

(e) the employment or engagement of certain key employees of the Target Business for the period of three years from Completion;

(f) actively targeting the customers in the Restricted Territories of the Enlarged Group's online gaming websites (as at Completion) for the period of three years from the date of Completion;

(g) taking over the operation of certain partner branded websites for the period of five years from the date of Completion; and

(h) providing bingo on the Virgin Bet website for the period of five years from the date of Completion.

The restrictions provided by the Covenantors are provided subject to certain carve-outs and permitted exemptions, and the liability of each Covenantor is several and subject to an individual liability cap.

Warranty and Indemnity Insurance

Warranties and indemnities are given by the Gamesys Majority Shareholders in the Gamesys Warranty and Tax Deed. The JPJ Group has entered into warranty and indemnity insurance policies with Hunter

George & Partners Limited and Ambridge Europe Limited which provide aggregate coverage of £150 million (the "**W&I Policies**"). Certain subject areas are excluded from the scope of the W&I Policies, including the specific indemnities given by the Warranties, known risks which have been disclosed by the Gamesys Majority Shareholders, de-grouping charges, transfer pricing, secondary tax liabilities and any liability relating to data protection laws. Any liabilities arising in these areas would not be covered by the W&I Policies, and therefore recovery would only be against the Gamesys Majority Shareholders, directly or indirectly, through set-off of amounts due and payable under of the Seller Transaction Documents or deductions from the Escrow Account.

In respect of matters to which the W&I Policies apply, the liability of the Gamesys Majority Shareholders is limited to £2,250,000. In respect of claims to which the W&I Policies do not apply, the liability of the Gamesys Majority Shareholders is limited to £50,000,000. To the extent that recovery is obtained from the Gamesys Majority Shareholders directly (and not indirectly through set-off of amounts under the Seller Transaction Documents or deductions from the Escrow Account), the Gamesys Majority Shareholders liability will be several and proportionate to their entitlement to consideration under the Acquisition. Additionally, any claims in respect of the Spanish business shall be subject to a cap of £6 million.

Governing Law

The Gamesys Warranty and Tax Deed is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

16.4 **Games Licence Agreements**

Non-US Games Licence Agreement

On Completion, Rabbitfoot Gibraltar ("**Licensor**") will enter into a Games Licence Agreement with Gamesys Gibraltar ("**Licensee**"). Pursuant to the Games Licence Agreement, Licensor will license to the Licensee certain existing real money games (which are comprised within the Legacy Gamesys Non-Bingo Games Content) and, subject to further agreement, newly created real money games, in each case for use by the Target Business in the Restricted Territories (excluding New Jersey). A fee will be charged by Licensor for the licence based in part on the net revenue earned by the Target Business from the games. A minimum revenue commitment applies in the first three years. Certain of the games are licensed to Target Group Holdco on an exclusive basis in the Restricted Territories (excluding New Jersey) and for a limited time.

US Games Licence Agreement

On Completion, Content Holdco ("**Licensor**") will enter into a Games Licence Agreement with Gamesys Limited ("**Licensee**"). Pursuant to this Games Licence Agreement, Licensor will license to the Licensee certain existing real money games (which are comprised within the Legacy Gamesys Non-Bingo Games Content) and, subject to further agreement, newly created real money games, in each case for use by the Target Business in New Jersey. A fee will be charged by Licensor for the licence based in part on the net revenue earned by the Target Business from the games. Certain of the games are licensed to Target Group Holdco on an exclusive basis in New Jersey and for a limited time.

The principal terms of the Games Licence Agreements are set out below.

Duration and Exclusivity

Each Games Licence Agreement has a term of 15 years, subject to earlier termination in accordance with its terms. The Licensee is granted an exclusive licence in certain territories for either three contract years (in relation to an agreed list of high-earning games) or two contract years (in relation to an agreed list of lower-earning games).

Scope of licence

The Games Licence Agreements grant a licence to the Licensee to use an agreed list of online real-money gambling games on the Licensee's websites in the Restricted Territories. Initially, some of the games may be hosted and served from the Target Business's platform but otherwise the Licensee also receives a licence to use related game development kits. The games will be hosted and served from the Licensor's remote gambling platform. The Licensee is also entitled to use its own platform to interface with the Licensor's platform as necessary.

The scope of each licence can be increased by agreement of the parties to include additional games, Licensee websites and territories.

In limited circumstances, games can be withdrawn from use in the Restricted Territories.

Services

The respective Licensors will, in addition to providing the existing games, provide certain development services for the Licensor's platform as are reasonably requested by the Licensees. The Licensors will, subject to agreement, provide new games developed by it in any market, and subject to agreement integrate games with new Target Business platforms from time to time. Subject to Licensee paying any costs which exceed an agreed threshold, the Licensors will maintain the initial games and platform up to date with applicable law requirements in the Restricted Territories.

Termination

Either party may terminate either Games Licence Agreement if, in the first three contract years, an arbitrator determines that the other party has committed an irremediable wilful or reckless material breach or has failed to remedy a remediable wilful or reckless material breach; or after the first three contract years, if the other party is in irremediable material breach or has failed to remedy a remediable material breach, or an undisputed sum remains unpaid in excess of 30 days from further demand, or it is an insolvency situation or has compromised with its creditors. In addition, the US Games Licence Agreement will terminate in the event of termination of the Non-US Games Licence Agreement. The US Games Licence Agreement may also be terminated if the Tropicana Licence Agreement terminates or expires and, at the relevant time, the US Games Licence Agreement covers no US market other than New Jersey. If other US markets are covered by the US Games Licence Agreement at such time, the agreement may be terminated in respect of New Jersey only.

In limited circumstances, the Licensors may withdraw games if revenues fall below agreed thresholds (but not in the first three contract years), or, if the revenue is above the threshold, where the withdrawal is appropriate in the context of changes or developments in technology used by the Licensors (but not in the first three contract years). There are other circumstances where games may be withdrawn, including where to continue to distribute them would infringe third-party rights or break gaming laws.

Licensee obligations

The Licensees are, among other obligations, to contract directly with end users, comply with applicable law, maintain gaming approvals, and prevent under-age gambling.

Payment

The Licensors receive a fee based on a percentage of the revenue earned by the Licensees from each game. A minimum revenue commitment applies for the first three contract years for the Non-US Games Licence Agreement.

IPR indemnity

The Licensors indemnify the Licensees against all claims and losses arising out of intellectual property infringement, and the Licensees indemnify the Licensors against all claims and losses arising from intellectual property infringement, Licensee's failure to comply with third-party licensor terms, failure to incorporate certain terms in end user agreements, reverse engineering games software or failing to hold or comply with appropriate gaming licences.

Limitation of liability

Save for death, personal injury and fraud, the parties' respective liability is capped by reference to a multiple of the annual fees (the multiple reducing over time), with an exclusion of liability for indirect losses.

Governing Law

The Games Licence Agreements are governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

16.5 **Transitional Services Agreement**

On Completion, Gamesys Gibraltar will enter into the Transitional Services Agreement with Residual Business Holdco. Pursuant to the Transitional Services Agreement the parties will provide certain transitional services to each other. The transitional services to be provided by Gamesys Gibraltar to Residual Business Holdco include (a) use of certain office space by Residual Business Holdco and related facilities services; (b) provision of certain IT services and support; (c) access to certain office furniture and equipment; (d) procurement and sourcing services and (e) certain migration services to separate certain functions previously provided by the Target Business to the Residual Sport Business and Residual Content Business.

The transitional services to be provided by Residual Business Holdco to Gamesys Gibraltar include (a) consulting services; (b) access to certain game integrations on the Residual Business Holdco platform; (c) support in relation to the integration of bingo and chat technology; and (d) interim support for the Target Business's bingo games and chat application.

Cost sharing principles have been agreed to compensate each party for the provision of the various services. The agreement also contains a process to support each party in creating separate contractual arrangements once the transitional process has completed.

The principal terms of the Transitional Services Agreement are set out below.

Duration

Each service can have an individual term, but all services are subject to a maximum term that expires on 31 December 2021 (other than the support provided by the Residual Business Holdco in relation to the Target Business's bingo games and chat application which may extend for a further 12 months).

Scope of services

Gamesys Gibraltar will provide services relating to (a) use of certain office space in London, Stoke, Gibraltar and Malta and related facilities services; (b) provision of certain IT services and support (including technical platform services, corporate IT services and migration of technical services); (c) access to certain office furniture and equipment; (d) procurement and sourcing services; and (e) certain migration services to separate certain functions previously provided by the Target Business to the Residual Sport Business and Residual Content Business.

Residual Business Holdco will provide certain technical and consulting services to Gamesys Gibraltar. The technical services relate to the maintenance of access by Gamesys Gibraltar to third-party game integrations with Residual Business Holdco's platform. The consulting services relate to (a) re-implementation of third-party game integrations; (b) operation of bingo jackpot liquidity; (c) loading bingo, chat and third-party gaming gateway user interface components; (d) use of algorithms and other software components; and (e) support in relation to the integration of bingo and chat technology. Residual Business Holdco will also provide certain interim support in relation to the Target Business's bingo games and chat application.

Residual Business Holdco can benefit from additional services which will be provided by Gamesys Gibraltar by procuring additional dedicated resources.

The agreement includes a governance process to regulate communications with third-party suppliers in relation to any transfers of contracts between the parties and any necessary duplication of, or amendments to, certain contracts with third-party suppliers.

Warranties

Each party warrants that it (a) has power to enter the agreement; (b) will comply with applicable law; (c) will provide the services with reasonable care and skill; and (d) will maintain all necessary consents to perform the services (without any obligation to spend unreasonable amounts of time obtaining such consents).

Payment

Each service is paid for on an agreed basis which is based on (a) a cost-sharing calculation (using a fair and equitable apportionment of costs using a fair unit of allocation) and (b) an "at cost" calculation.

The "at cost" calculation is modified with mark-ups of up to 25 per cent. over time, depending on the particular service.

The charges are payable monthly in arrears.

Termination

Either party can terminate the services it receives at any time by giving written notice to the other party. Either party can terminate the agreement for wilful or reckless material breach, non-payment and certain insolvency events.

Governing Law

The Transitional Services Agreement is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

16.6 Restrictive Covenant Deeds

On Completion, the Company will enter into a deed of covenant with Content Holdco, the holding company of the group which will hold the Residual Content Business, and a deed of covenant with Sports Holdco, the holding company of the group which will hold the Residual Sports Business.

Each of Content Holdco and Sports Holdco has, pursuant to its respective deed of covenant, provided certain restrictive covenants to the Company, including restrictions on the covenantor or its associates:

(a) offering or marketing bingo products to end users located in the Restricted Territories for the period of three years from Completion;

(b) the employment or engagement of certain key employees of the Target Business for the period of three years from Completion;

(c) actively targeting the customers in the Restricted Territories of the Enlarged Group's online gaming websites (as at Completion) for the period of three years from the date of Completion; and

(d) taking over the operation of certain partner branded sites for the period of five years from the date of Completion.

In addition, the deed of covenant which will be entered into by Content Holdco includes restrictions on Content Holdco:

(a) supplying certain of its existing online games (which are high-earning games classified as "Tier 1" games) to any person in the Restricted Territories other than the Enlarged Group for the period of three years from Completion;

(b) supplying certain of its existing online games (which are lower-earning games classified as "Tier 2" games) to any person in the Restricted Territories other than the Enlarged Group or the Residual Sports Business (for use on the Virgin Bet website) for the period of three years from Completion.

In addition, the deed of covenant which will be entered into by Sports Holdco contains restrictions on Sports Holdco providing bingo on the Virgin Bet website for the period of five years from the date of Completion.

The restrictions provided by each of Content Holdco and Sports Holdco are subject to certain carve-outs, permitted exemptions, and liability caps.

16.7 Amended and Restated Virgin TMLAs

On 12 June 2019, a deed relating to the Virgin Agreement and the Virgin NJ Agreement was entered into between Virgin Enterprises Limited, Nozee Limited, Gamesys Limited, the Company, Virgin Bet Limited, Residual Business Holdco and Sports HoldCo pursuant to which it was agreed that a number of agreements would be automatically entered into relating to the Virgin Agreement and the Virgin NJ Agreement (including amendments being made to these existing agreements and the entry into the Virgin Bet TMLA) (the "**Virgin All Parties Agreement**").

Under the Virgin All Parties Agreement, an agreed form of a deed of amendment and restatement to the Virgin Agreement is to be entered into between, Virgin Enterprises Limited, Nozee Limited, the Company and Gamesys Limited, which, with effect from Completion, will permit Nozee Limited to operate: (a) real money online gaming and (b) online betting (excluding sports betting and esports betting) on an ancillary basis to online gaming, in each case on a worldwide basis (but excluding New Jersey, USA, and any territories in which such activities are not legally permitted or in which Nozee Limited does not hold the requisite licences) under the names "Virgin Games" and "Virgin Casino"; and (c) social gaming on a worldwide basis (excluding the Middle East) under the name "Virgin Games" (the "**Amended and Restated Virgin TMLA**"). Under the Virgin All Parties Agreement, an agreed form of a deed of amendment and restatement to the Virgin NJ Agreement is also to be entered into between Virgin Enterprises Limited and Gamesys Limited, which, with effect from Completion, will permit Gamesys Limited to continue to operate real money online gaming and from Completion offer (a) real money online betting (excluding sports betting and esports betting) on an ancillary basis to online gaming, and (b) and social betting (excluding sports betting and esports betting) under the "Virgin Casino" name in New Jersey, USA (the "**Amended and Restated New Jersey TMLA**"). For these purposes, offering online betting on an ancillary basis to online gaming means that any website which offers online betting must also offer online gaming.

At the same time as the Amended and Restated Virgin TMLA and Amended and Restated New Jersey TMLA are entered into, the Virgin All Parties Agreement also provides that an agreed form of a new trade mark licence agreement is to be entered into between Virgin Enterprises Limited, Virgin Bet Limited and Residual Business Holdco (the "**Virgin Bet TMLA**"), which permits Virgin Bet Limited under the main name "Virgin Bet" to operate real money (a) online betting; (b) social betting; and (c) online gaming (excluding bingo type products) on an ancillary basis to online betting, all on a worldwide basis (but excluding territories in which such activities are not legally permitted or in which Virgin Bet Limited does not hold the requisite licences). For these purposes, offering online gaming on an ancillary basis to online betting means that any website which offers online gaming must also offer online betting.

The Amended and Restated Virgin TMLA and Amended and Restated New Jersey TMLA essentially grant Nozee Limited and Gamesys Limited, respectively, exclusive rights to use the Virgin Games and Virgin Casino marks on the terms summarised below.

The rights granted to Nozee Limited under the Amended and Restated Virgin TMLA are subject to certain exceptions: (i) Nozee Limited is not permitted to operate land-based casinos, bingo halls, scratch-cards or lotteries using the Virgin brands; and (ii) Nozee Limited is not permitted to operate real money online sports betting or social sports betting using the Virgin brands (such rights currently being provided to Virgin Bet Limited under the Virgin Bet TMLA).

The Amended and Restated Virgin TMLA provides that Nozee Limited is required to pay Virgin Enterprises Limited a royalty share in respect of real money revenues generated in each territory (based on net online gaming revenue) and social gaming revenues generated worldwide. Minimum annual revenue requirements apply to real money online gaming in the UK and US, but not in any other territories and not in respect of social gaming. Nozee Limited is required to make top-up payments each quarter if the revenues in the UK and the US fall below these minimum requirements. Nozee Limited is permitted to roll forward negative revenue in any quarter for a particular territory to a subsequent quarter in the same contract year (but any negative revenue cannot be applied to another territory or between real money gaming and social gaming).

The Amended and Restated Virgin TMLA contains a wide-range of provisions designed to safeguard the Virgin brand, and control how it may be used by Nozee Limited. Nozee Limited is required to establish a strategy and brand board which includes at least one senior Virgin Enterprises Limited representative. This board is required to meet at least once every 6 months, and reviews the performance and strategy of the Virgin Games business, as well as the Virgin Casino business pursuant to the Amended and Restated New Jersey TMLA. In addition, Nozee Limited agrees to use the brands in accordance with a brand strategy plan agreed with Virgin Enterprises Limited. Further, a joint brand and strategy board will be formed comprising representatives of Nozee Limited, Virgin Bet Limited and Virgin Enterprises Limited. This joint brand and strategy board will review the use of the brands across the Amended and Restated Virgin TMLA, Amended and Restated NJ TMLA and the Virgin Bet TMLA.

Nozee Limited is required to consult reasonably and in good faith with Virgin Enterprises Limited and take into consideration the reasonable opinions of Virgin Enterprises Limited, in respect of the suitability of any new CEO or CMO of the Nozee Group.

Nozee Limited is required to consult with Virgin Enterprises Limited before entering any new territory and provide Virgin Enterprises Limited with its proposed business plan. Nozee Limited is required to obtain Virgin Enterprises Limited's consent (not to be unreasonably withheld, conditioned or delayed) in order to establish any sales office to carry out any activities in relation to the licensed activities outside those territories it is permitted to provide online gaming under the Virgin brands in from time to time (save in respect of Malta, Gibraltar, the UK, the USA, Canada and Spain).

Prior approval from Virgin Enterprises Limited is required in relation to the use of Virgin branding in all above the line creative advertising or marketing campaigns (i.e. TV, press, print, outdoors and digital). Nozee Limited must also use reasonable endeavours to incorporate any reasonable comments made by Virgin Enterprises Limited's creative council on significant creative campaigns. Any advertising or marketing featuring Richard Branson requires prior approval.

The Amended and Restated Virgin TMLA contains mutual warranties. The Company has provided a parent company guarantee in respect of Nozee Limited's obligations subject to an agreed additional aggregate cap on the Company's liability. In addition, Nozee Limited has given certain indemnities, which are generally uncapped. There are mutual liability caps which apply per annum and over the life of the contract.

Termination

The Amended and Restated Virgin TMLA is due to expire in November 2038. Provided that certain conditions are satisfied, the agreement provides for two automatic five-year extensions.

- Virgin Enterprises Limited may terminate the Amended and Restated Virgin TMLA immediately (including in respect of a country or state, only to the extent that the applicable grounds of termination relate to that country or state) if:
- Virgin Enterprises Limited has reasonable grounds to believe that as a result of a breach of the Amended and Restated Virgin TMLA or of applicable law, the use of the "Virgin" name, logos and approved marks by Nozee Limited pursuant to the Amended and Restated Virgin TMLA or Nozee Limited's conduct of the same has been or is likely to be materially damaging to the goodwill of Virgin Enterprises Limited or in any way materially disparaging of Virgin Enterprises Limited's reputation and such use or conduct remains unremedied for more than 10 business days;
- Nozee Limited commits a material breach that remains unremedied for more than 10 business days (or in the case of non-payment, if Nozee Limited has not paid undisputed sums for more than 60 calendar days);
- Nozee Limited is in a financial position entitling it, its shareholders or its creditors to institute formal insolvency proceedings;
- There is a change of control of Nozee Limited (other than a permitted change of control);
- Nozee Limited challenges Virgin Enterprises Limited's ownership of, entitlement to license and/or validity of the Virgin name, logos and approved marks licensed to Nozee Limited or attempts to register the same or confusingly similar marks;
- Nozee Limited fails to pay the royalty due to Virgin Enterprises Limited on two or more occasions in a 12-month period within 10 business days after the due date, where those sums are undisputed; or
- Nozee Limited has been in non-material breach three times in any three consecutive years and Virgin Enterprises Limited has notified Nozee Limited after the first and second such breaches that there is a risk of the breach becoming material.

The Amended and Restated Virgin TMLA includes minimum annual revenue targets in the UK and the US. If revenues in either of those territories falls below 80 per cent. of the minimum target in any year, Virgin Enterprises Limited has the ability to terminate Nozee Limited's rights in that territory. For other jurisdictions, a similar termination right exists but in such jurisdictions (where no such target has been agreed upfront) a weighted revenue target is applied each year instead. This is based on the relative size of that territory's GDP and population size in comparison to the UK.

Virgin Enterprises Limited can also terminate Nozee Limited's ability to use the Virgin brands if Nozee Limited fails to launch into a new territory within a particular timeframe after it has become legally possible to do so, provided that Virgin Enterprises Limited may not exercise its rights in this regard until at least 6 months after Completion.

Nozee Limited may terminate the Amended and Restated Virgin TMLA immediately (including in respect of a country or state, only to the extent that the applicable grounds of termination relate to that country or state) if:

- Virgin Enterprises Limited commits a material breach that is not remedied for more than 10 business days after notice requiring remedy; or

- Virgin Enterprises Limited is in a financial position entitling it, its shareholders or its creditors to institute formal insolvency proceedings.

The Amended and Restated New Jersey TMLA has been entered into on broadly the same terms as the Amended and Restated Virgin TMLA, save that the term of the Amended and Restated New Jersey TMLA is due to end on 25 November 2019 and the Amended and Restated New Jersey TMLA contains certain provisions which are specific to the regulatory framework of New Jersey.

16.8 **Unregistered IP**

All Unregistered IP that is used by Gamesys Limited, Content Holdco and Sports Holdco will be subject to a licence from Gamesys Limited, under which Content Holdco and Sports Holdco (or their Gibraltar or Malta entities) will each be free to develop derivative intellectual property (which Content Holdco or Sports Holdco, as appropriate, will own (and together with the licensed Unregistered IP is the "Relevant IP")) and all of which, each of Content Holdco and Sports Holdco may exploit without reference to Gamesys Limited or payment of royalties. That exploitation is subject to restrictions outlined below.

The Relevant IP is split into three categories: the first category (bingo and chat software) is subject to a territory restriction (as defined below); the second category (payment software, APIs and interfaces, and Box Bonanza) is subject to the Bet Business Restriction (as defined below) and the general restriction (as defined below); and the third category (all other unregistered IP, including APIs to RGP, existing DFG, MFG and website content) is subject to the general restriction.

(a) The "general restriction" means that the Relevant IP is subject to the restriction that it may only be used for commercial purposes by Sports Holdco/Content Holdco in the restricted territories (there is no restriction on use outside the restricted territories or for non-commercial purposes) as follows:

  (i) by Sports Holdco for a period of 3 years from Completion in relation to carrying out B2C business;

  (ii) by Content Holdco for a period of 3 years from Completion as part of the supply of games content to third parties on a B2B basis (i.e. Content Holdco may not to supply these assets to third parties on a stand-alone basis, outside of a business-to-business standard platform and/or games supply arrangement).

The "territory restriction" means that the Relevant IP cannot be used for commercial purposes by Content Holdco/Sports Holdco for a period of five (5) years from Completion in the following territories: the United Kingdom, Sweden, Spain and the state of New Jersey in the United States of America, being the "restricted territories". Further, in the case of the Virgin Bet business (being the "Bet Business Restriction"), the Relevant IP may only be used in relation to that business in those territories, for a period of five (5) years, but may be used without restriction outside of those territories.

There are further restrictions applicable to the Sports Holdco and Content Holdco businesses' use of the Relevant IP in wider businesses, or if it sells its business, which run to the end of the applicable restricted periods.

16.9 **Lock-Up and Orderly Market Agreements**

Lee Fenton and Robeson Reeves

Under the terms of their respective lock-up agreements, each of Lee Fenton and Robeson Reeves will be required to agree that they will not (subject to certain exceptions) sell, transfer or dispose of any interest in any New JPJ Shares held by them or any related parties until the expiry of the period of 18 months from Completion.

Those restrictions will not apply in certain limited circumstances which include:

(a) any disposals for which the Company has provided prior written consent;

(b) disposing of any New JPJ Shares in the event that Lee Fenton and Robeson Reeves' contract of employment with the Company is unlawfully terminated by the Company in breach of such contract;

(c) the acceptance of a general, partial or tender offer for the whole or part of the issued share capital of the Company in accordance with the Takeover Code and the provision of an irrevocable undertaking to accept such offer;

(d) any scheme or reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; or

(e) the disposal of any New JPJ Shares pursuant to any offer by the Company to purchase its own shares which is made to all holders of shares in the Company.

Noel Hayden

Under the terms of his lock-up agreement, Noel Hayden will be required to agree that he will not (subject to certain exceptions) sell, transfer or dispose of any interest in any New JPJ Shares held by him or any related parties until the expiry of the period of 180 days from Completion. In addition, Noel Hayden will be required to agree for a further period of 180 days after expiry of the 180-day lock-up period that, subject to certain exceptions, he will only sell such interests with the prior written consent of the corporate broker who is appointed and announced as broker or joint broker to the Company from time to time (the "**Broker**"), which may only be withheld and/or delayed in good faith and on the basis of orderly market principles. The Broker may, in its absolute discretion, allow the disposal of New JPJ Shares, so as to ensure an orderly market for the JPJ Shares, taking into account the then price of the JPJ Shares, the volume traded and the likely impact on the market price of the proposed disposal, provided always that the Broker offers market standard and market competitive terms (generally and with reference to the proposed commission and/or fees). However, if Noel Hayden can provide written evidence that the Broker is not providing at least market standard and market competitive terms in connection with a proposed disposal, the Broker will be given 5 business days to propose new terms on the Company's instruction. If the amended offer provided to Noel Hayden is not at least market standard and market competitive and Noel Hayden provides written evidence to the Company of the same, then Noel Hayden shall be entitled to engage an alternate broker at his sole discretion in connection with that proposed disposal in the volumes and at the times and in the manner as the Broker had proposed.

The restrictions described above will not apply in certain limited circumstances which include:

(a) any disposals for which the Company has provided prior written consent;

(b) the acceptance of a general, partial or tender offer for the whole or part of the issued share capital of the Company in accordance with the Takeover Code and the provision of an irrevocable undertaking to accept such offer;

(c) any scheme or reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; or

(d) the disposal of any New JPJ Shares pursuant to any offer by the Company to purchase its own shares which is made to all holders of shares in the Company.

Andrew Dixon, Robin Tombs and Wendy Tombs

Under the terms of their lock-up agreements, each of Andrew Dixon, Robin Tombs and Wendy Tombs will be required to agree that they will not sell, transfer or dispose of any interest in any New JPJ Shares held by them or any related parties (subject to certain customary carve outs) at any time during a lock-up period of 90 days following Completion, unless they each sell, transfer or dispose of such interests with the Broker's prior written consent, which may only be withheld and/or delayed in good faith and on the basis of orderly market principles.

In addition, each of Andrew Dixon, Robin Tombs and Wendy Tombs will be required to agree, after the expiry of the above lock-up periods, further orderly marketing restrictions of 90 days, subject to certain exceptions, they will each only sell such interests with the prior written consent of the Broker, which may only be withheld and/or delayed in good faith and on the basis of orderly market principles. The Broker may, in its absolute discretion, allow the disposal of New JPJ Shares, so as to ensure an orderly market for the JPJ Shares, taking into account the then price of the JPJ Shares, the volume traded and the likely impact on the market price of the proposed disposal, provided always that the Broker offers market standard and market competitive terms (generally and with reference to the proposed commission and/or fees). However, if the shareholder can provide written evidence that the Broker is not providing at least market standard and market competitive terms in connection with a proposed disposal, the Broker will be given 5 business days to propose new terms on the Company's instruction. If the amended offer provided to the shareholder is not at least market standard and market competitive and the shareholder provides written evidence to the Company of the same, then the shareholder shall be entitled to engage an alternate broker at his sole discretion in connection with that proposed disposal in the volumes and at the times and in the manner as the Broker had proposed. The restrictions described above will not apply in certain limited circumstances which include:

(a) any disposals for which the Company has provided prior written consent;

(b) the acceptance of a general, partial or tender offer for the whole or part of the issued share capital of the Company in accordance with the Takeover Code and the provision of an irrevocable undertaking to accept such offer;

(c) any scheme or reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; or

(d) the disposal of any New JPJ Shares pursuant to any offer by the Company to purchase its own shares which is made to all holders in the Company.

Michael Mee and Others

Michael Mee and certain other members of Gamesys' executive committee who will become senior employees of the JPJ Group from Completion, will be required to enter into orderly marketing agreements following Completion pursuant to which they will each agree that they will be subject to orderly marketing restrictions on their ability to dispose of New JPJ Shares for a period of 180 days following Completion (subject to certain customary carve outs) unless they sell such interests with the Broker's prior written consent, which may only be withheld and/or delayed in good faith and on the basis of orderly market principles. The Broker may, in its absolute discretion, allow the disposal of New JPJ Shares, so as to ensure an orderly market for the JPJ Shares, taking into account the then price of the JPJ Shares, the volume traded and the likely impact on the market price of the proposed disposal, provided always that the Broker offers market standard and market competitive terms (generally and with reference to the proposed commission and/or fees). However, if the shareholder can provide written evidence that the Broker is not providing at least market standard and market competitive terms in connection with a proposed disposal, the Broker will be given 5 business days to propose new terms on the Company's instruction. If the amended offer provided to the shareholder is not at least market standard and market competitive and the shareholder provides written evidence to the Company of the same, then the shareholder shall be entitled to engage an alternate broker at his sole discretion in connection with that proposed disposal in the volumes and at the times and in the manner as the Broker had proposed. The restrictions described above will not apply in certain limited circumstances which include:

(a) any disposals for which the Company has provided prior written consent;

(b) the acceptance of a general, partial or tender offer for the whole or part of the issued share capital of the Company in accordance with the Takeover Code and the provision of an irrevocable undertaking to accept such offer;

(c) any scheme or reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; or

(d) the disposal of any New JPJ Shares pursuant to any offer by the Company to purchase its own shares which is made to all holders of JPJ Shares.

16.10 **Additional debt raising**

On 13 June 2019, the Company entered into a commitment for the Additional Facility, an additional term loan facility commitment under its existing Senior Facilities Agreement pursuant to which each of the Additional Debt Arrangers have severally and not jointly agreed to provide to Luxco aggregate additional commitments of the euro equivalent of £175 million under the EUR TLB Loan Facility in connection with the financing of the cash consideration payable to the Gamesys Shareholders pursuant to the Acquisition. The terms of the Additional Facility also allow the funds to be used to refinance certain existing indebtedness of the Target Group and to pay fees, costs and expenses related to the Acquisition. However, as the Target Group does not have any existing indebtedness to be refinanced, it is not expected that the Additional Facility will be used for the purposes of refinancing any indebtedness of the Target Group or financing the payment of any related costs and expenses. The Additional Facility will benefit from the same representations, undertakings, events of default, guarantees and security as the existing Facility B and will rank pari passu with the existing Facility B. The Additional Facility will have the same interest rate as the EUR TLB Loan Facility.

The relevant borrower can only apply amounts borrowed by it under the Additional Facility towards: financing or refinancing the payment of the cash consideration in connection with the Acquisition; and financing, directly or indirectly refinancing or otherwise discharging certain existing indebtedness of the Target Group and paying any related breakage costs, redemption premium, make-whole costs and other fees, costs and expenses payable in connection with the Acquisition, such financing, refinancing and/or discharge. The Additional Debt Arrangers may, upon consultation and subject to customary conditions but without consent, change certain terms of the Additional Facility at any time prior to the completion of a customary syndication period if the Additional Debt Arrangers determine that such changes are necessary or advisable to enhance the prospects of a successful syndication of the Additional Facility or if the Additional Debt Arrangers determine a successful syndication of the Additional Facility cannot be achieved by the end of such syndication period. These changes are customary for transactions of this nature.

In addition, the existing indebtedness under the £250 million GBP TLB Loan Facility and the €140 million Euro TLB Loan Facility drawn by the Company and certain of its subsidiaries under the Senior Facilities Agreement will remain outstanding, and no consents are required from the providers of those facilities for the commitments and financings described in this paragraph. As at the Latest Practicable Date, the Revolving Credit Facility was undrawn.

Further details of the Senior Facilities Agreement are set out below in paragraph 16.12 (*Senior Secured Term and Revolving Credit Facility*) of "*Part 11: Additional Information*".

16.11 **Warrant Instrument**

On Completion, the Company shall enter into a warrant instrument (the "**Warrant Instrument**") in favour of VEL, a Virgin group company, (or such entity or the entity which VEL elects to hold the Warrant (as defined below), being the "**Warrant Holder**") pursuant to which the Warrant Holder shall be issued with a warrant to subscribe for 300,000 JPJ Shares (the "**Warrant**"). Subsequent references in this paragraph to the Warrant Holder shall be to any transferee to which the Warrant is transferred in accordance with the terms of the Warrant Instrument.

The key provisions of the Warrant Instrument are as follows:

Subscription Rights

The Warrant confers the right but not the obligation on the Warrant Holder to subscribe in cash for 300,000 JPJ Shares (subject to any adjustment as described below) (the "**Warrant Shares**") at a subscription price of 892.878p.

No application is to be made for the Warrant to be listed on any recognised investment exchange. If, at the time of issue of the Warrant Shares, the JPJ Shares are traded on the London Stock Exchange, the

Company will within 7 business days of issue of the Warrant Shares apply for permission to deal in, or for quotation or admission of, such shares.

The Warrant Shares, when correctly issued, shall be issued fully paid, rank pari passu and form one class with the JPJ Shares.

Adjustments of Subscription Rights

The nominal amount of the Warrant Shares and the subscription price will be deemed adjusted according to any capitalisations, reduction, sub-division or consolidation of the Company's share capital on or before the final date for exercise of the Warrant.

Undertakings from the Company

The Company provides certain undertakings to provide the Warrant Holder with prior notice in the event of certain actions by the Company, including the payment of any dividends and certain distributions, such that the Warrant Holder shall have the opportunity to exercise the Warrants and participate in such events as a shareholder in the Company.

Transfers of the Warrants

The Warrants may be transferred to any "Permitted Transferee", which is defined to include group companies and controlling shareholders.

Exercise Period

Subject to the lock-up arrangements described below, the Warrant Holder may exercise its subscription rights in respect of the Warrant on any business day prior to the earlier of 23:59 on the date which is the fifth anniversary of the date of the Warrant Instrument and the completion of a "Takeover" of the Company. A "Takeover" is defined in the Warrant Instrument as an offer to all holders of ordinary shares in the Company to acquire share capital in the Company which, if completed, would result in the offeror acquiring the right to cast a majority of votes at a general meeting of the Company. The Warrant Holder shall have the right to exercise the Warrants in the event of an exit, including a "Takeover".

Lock-up/orderly market provisions

The Warrant Holder is subject to certain lock-up and orderly market provisions in respect of the Warrant Shares as follows:

(a) if the Warrant Holder exercises its subscription rights during the 18-month period following the date of the Warrant Instrument, the Warrant Holder shall not:

    (i) following the date on which the Warrant Shares are issued to it and for the remainder of the 18-month period following the date of the Warrant Instrument, dispose of any interest in the Warrant Shares other than in certain circumstances (including the insolvency of the Company, the delisting of the Company's shares and the occurrence of a Takeover); and

    (ii) without the prior written consent of the Company, during the 12-month period following the date on which the Warrant Shares are issued to it, other than in certain circumstances (including the insolvency of the Company, the delisting of the Company's shares and the occurrence of a Takeover), dispose of any interest in the Warrant Shares other than through a broker nominated by the Company, subject to the terms relating to price and execution offered by such broker being no less favourable than other brokers at that time for execution-only services; and

(b) if the Warrant Holder exercises its subscription rights following the expiry of the 18-month period following the date of the Warrant Instrument, then the Warrant Holder shall not, without the prior written consent of the Company, during the 12-month period following the date on which the Warrant Shares are issued to it, other than in certain circumstances (including the insolvency of the Company, the delisting of the Company's shares and the occurrence of a Takeover), dispose of any interest in the Warrant Shares other than through a broker nominated by the Company, subject to the terms relating to price and execution offered by such broker being no less favourable than other brokers at that time for execution-only services.

Variation

No variation of the Instrument or rights attached to the Warrants shall be effective without the prior consent in writing of the Warrant Holder.

Governing Law

The Warrant Instrument shall be governed by and construed in accordance with English Law.

16.12 **Senior Secured Term and Revolving Credit Facility**

On 6 December 2017, JPJ Group plc entered into the Senior Facilities Agreement, pursuant to which debt financing was made available to the Company and certain of its subsidiaries in an aggregate GBP equivalent amount of £388,492,000, comprised of: (i) the €140 million Euro TLB Loan Facility term loan; (ii) the £250 million GBP TLB Loan Facility; and (iii) the £13.5 million Revolving Credit Facility subject to the satisfaction of certain conditions. The Revolving Credit Facility and Facility B were arranged by the Mandated Lead Arrangers.

The JPJ Group is a borrower of the GBP TLB Loan Facility. Luxco is the borrower of the Euro TLB Loan Facility. The Company and Luxco are borrowers under the Revolving Credit Facility.

The transactions contemplated by the Senior Facilities Agreement were completed on 14 December 2017. Facility B (excluding the Additional Facility) has been drawn in full and the proceeds from Facility B (excluding the Additional Facility) have been used to repay the Previous Credit Facilities. Proceeds from the Revolving Credit Facility can be applied to, among other things, working capital and general corporate purposes and financing or refinancing capital expenditure.

Facility B will mature in December 2024 and the Revolving Credit Facility will mature in December 2023. Facility B is not amortising and is scheduled to be repaid by way of a single bullet repayment on maturity.

The Euro TLB Loan Facility has an interest rate of EURIBOR (subject to a 0 per cent. floor) plus an opening margin of 4.25 per cent. per annum, subject to a margin ratchet with step downs of 0.25 per cent. to 3.50 per cent. based on reductions in the senior secured net leverage ratio and/or meeting certain ratings requirements. The GBP TLB Loan Facility has an interest rate of LIBOR (subject to a 0 per cent. floor) plus an opening margin of 5.25 per cent. per annum, subject to a margin ratchet with step downs of 0.25 per cent. to 4.50 per cent. based on reductions in the senior secured net leverage ratio and/or meeting certain ratings requirements. The Revolving Credit Facility has an interest rate of, in respect of utilisations in EUR, EURIBOR (subject to a 0 per cent. floor) or, in respect of utilisations in GBP or USD, LIBOR (subject to a 0 per cent. floor), plus, in each case, an opening margin of 4.25 per cent. per annum, subject to a margin ratchet with step downs of 0.50 per cent. to 3.25 per cent. based on reductions in the senior secured net leverage ratio.

The Senior Facilities Agreement contains certain restrictions on, amongst other things, asset disposals, debt incurrence, loans and guarantees, joint ventures and acquisitions, subject in each case to various permissions.

In addition to certain customary baskets, the Senior Facilities Agreement permits the incurrence of incremental debt (either as an increase to the total commitments under the Senior Facilities Agreement or as a new third-party debt outside of the Senior Facilities Agreement) up to an amount equal to the aggregate of: (i) the greater of £50 million and 45 per cent. of Consolidated Pro Forma EBITDA (as defined in the Senior Facilities Agreement) for the most recently completed (and reported) 12-month period (a "relevant period") plus (ii) an amount such that the Company's senior secured leverage ratio, being the ratio of its consolidated senior secured net debt on the last day of any relevant period to Consolidated Pro Forma EBITDA (as defined in the Senior Facilities Agreement) in respect of that relevant period, does not exceed 2.75:1 (or, if the debt to be incurred is not to rank pari passu with the Senior Facilities Agreement in right of payment and proceeds of collateral, an amount such that the Company's consolidated total leverage ratio, being the ratio of its consolidated total net debt on the last day of any relevant period to Consolidated Pro Forma EBITDA (as defined in the Senior Facilities Agreement) in respect of that relevant period, is at least 4.00:1).

The flexibility was exercised on 13 June 2019 in order to obtain the commitments for the Additional Facility. See paragraph 16.10 (*Additional debt raising*) in "*Part 11: Additional Information*" for more information on the Additional Facility.

The Credit Facilities are guaranteed by the Company, Luxco and certain other members of the JPJ Group. Subject to certain permitted security interests and certain exceptions, the Credit Facilities are secured by first priority security over guarantors' material bank accounts and intercompany receivables owed to them by material subsidiaries incorporated in specific jurisdictions and security over shares in guarantors (other than the Company) and certain material subsidiaries.

16.13 **Jackpotjoy SPA**

The following is a summary of certain terms of the Jackpotjoy SPA, whereby the parties agreed to complete the Jackpotjoy Acquisition. Note that a number of the terms of the Jackpotjoy SPA were amended pursuant to deeds of amendment entered into on 5 September 2016 between Intertain and Gamesys (collectively, the "**Jackpotjoy Amending Agreements**"). The JPJ Group has made all payments under the Jackpotjoy, Starspins and Botemania earn-outs with the remaining Jackpotjoy Earn-Out Payments (as defined below) summarised below.

Purchase Price

The purchase price (the "**Jackpotjoy Purchase Price**") for all of the issued and outstanding capital stock of Fifty States was the sum of: (i) £369,047,221 in cash less the Intra-Group Debt (as defined below) (the "**Initial Cash Consideration**"); (ii) £1,405,954 in cash; (iii) 7,361,365 common shares of Intertain; (iv) the assumption of the obligation to repay the Intra-Group Debt in full on the Jackpotjoy Closing Date (together with the Initial Cash Consideration, the "**Initial Consideration**"); (v) a cash adjustment to take account of any accrued cash and receivables within the Fifty States Group as at 8 April 2015 (the "**Jackpotjoy Closing Date**"), less any liabilities, in each case by reference to its trading for the period from the JPJ Reorganisation to the Jackpotjoy Closing Date; and (vi) future earn-out payments, payable in cash, based upon the financial performance of the Jackpotjoy Business in various periods during the five years following the Jackpotjoy Closing Date (the "**Jackpotjoy Earn-Out Payments**"). All Jackpotjoy Earn-out Payments have now been met, save for the Additional Earn-Out (as defined below) falling due in mid-2020 (which shall only be payable if Completion does not occur).

For the purposes of the paragraphs above, the "**Intra-Group Debt**" means the debt that was owed by Fifty States to each of Gamesys Spain, Profitable Play and Leisure Spin Limited ("**Leisure Spin**") following the completion of the share purchase agreement dated 26 March 2015 between Profitable Play, Leisure Spin, Gamesys Spain and Fifty States in connection with the JPJ Reorganisation (the "**Fifty States Gibraltar SPA**"), in the aggregate amount of £295,259,193 plus accrued interest (if any) as at the Jackpotjoy Closing Date calculated in accordance with the Fifty States Gibraltar SPA as at 23:59 (in the UK) on the day immediately prior to the Jackpotjoy Closing Date.

Additional Earn-Out

By reference to the sum of, as adjusted pursuant to the Jackpotjoy SPA, (i) all Aggregate Intertain Charges (as defined below) which have become payable by the Gamesys Group under the Operating Agreement in respect of the branded and partner sites operated in conjunction with the Jackpotjoy and Starspins brands, and (ii) the annual Botemania Intertain charges for each of the 12-month periods commencing on the second, third and fourth anniversary of 1 April 2015 which will be calculated and agreed by Gamesys and the Company shortly after each such 12 month period (the "**Aggregate Intertain Charges**"), the JPJ Group has paid £5 million since the Aggregate Intertain Charges for the first such 12-month period were more than £80 million, and is required to pay to Gamesys an amount in cash equal to:

(a) £5 million if the Aggregate Intertain Charges for the second such 12-month period are £85 million or more; and

(b) £5 million if the Aggregate Intertain Charges for the third such 12-month period are £92.5 million or more,

(paragraphs (a) and (b) above collectively referred to as the "**Additional Earn-Out**").

The Additional Earn-Out will be payable by the JPJ Group by reference to the Aggregate Intertain Charges for the relevant year and will not be affected by the Aggregate Intertain Charges in any of the other years relevant for the Additional Earn-Out. It has been agreed that the applicable portion of the Additional Earn-Out for the second 12-month period shall be paid at, and conditional upon, Completion.

If Completion does not occur, and assuming the relevant targets are hit, the remaining applicable portion of the Additional Earn-Out is expected to be paid in mid-2020. This milestone payment will be of a maximum of £5 million should the Jackpotjoy Brands attain certain EBIT targets for the 12 months ending March 2020. This £5 million milestone payment was revalued to £nil in the Company's Annual Report and Accounts 2018, primarily reflecting the impact of increased gaming duty in the UK.

16.14 **Operating Agreement**

Fifty States Gibraltar entered into the Operating Agreement on 24 March 2015 with Gamesys Gibraltar (which agreement was subsequently novated to Jackpotjoy Operations, formerly known as Intertain Bahamas Limited), pursuant to which Gamesys Gibraltar provides to Jackpotjoy Operations certain operational, financial, marketing, player services and support services for the real money operation of certain branded sites for up to ten years (subsequently extended to 2030 pursuant to the amendments detailed below). 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) required to operate the JPJ Branded Sites and the Target Business Branded Sites will be acquired by the JPJ Group pursuant to the Acquisition.

Services and Payments

Under the Operating Agreement, Gamesys Gibraltar hosts and makes each branded site available in the agreed territories for the relevant branded site (being initially, the UK, Eire, the Channel Islands and Isle of Man for the Jackpotjoy (UK) and Starspins branded sites, Sweden for the Jackpotjoy (Sweden) branded site and Spain for the Botemania branded site); includes games on each branded site; and provides support services (such as platform and network operations, reporting, risk management services, chat room hosting, customer support and marketing) to Jackpotjoy Operations. Such services are provided at cost for the first five years of the applicable agreement (the "**At-Cost Period**") (or three years in respect of the Botemania sites and related services), and thereafter at cost plus a 25 per cent. uplift on certain costs and fees. After the period commencing on the day after the Jackpotjoy Closing Date and ending on the date on which all amounts which have become (or may still become) due in respect of the Jackpotjoy, Starspins and Botemania earn-outs (including all interest accrued thereon) have been paid in full (both dates inclusive) (the "**Jackpotjoy Earn-Out Period**"), Fifty States Gibraltar may elect to take over certain of the support services (excluding the platform and network operations services) from Gamesys Gibraltar.

Under the Operating Agreement, Gamesys Gibraltar is required to pay an amount equal to the Intertain Charge on a monthly basis to Fifty States Gibraltar. The "**Intertain Charge**" for any branded site is equal to the monies received from players paying to play games at a particular site less winnings and incentive payments to such players, less the platform and services fee payable to Gamesys Gibraltar under such agreement. Under the Operating Agreement, the platform and services fee is an amount equal to the costs incurred by the Gamesys Group in connection with the provision of the services under the Operating Agreement and, where applicable, a 25 per cent. uplift on certain costs and fees. After the Jackpotjoy Earn-Out Period, Jackpotjoy Operations may elect to take over certain services (excluding the software and network operations services) from Gamesys Gibraltar.

Amendments to the Operating Agreement

The Operating Agreement has been amended by: (i) two deeds of amendment dated 5 September 2016; (ii) a deed of amendment dated 20 March 2017; (iii) an exit agreement in respect of Sweden dated 31 December 2018; and (iv) a deed of amendment dated 24 January 2019, which was subsequently amended on 15 May 2019.

2016 Amendments

On 5 September 2016, Jackpotjoy Operations entered into deeds of amendment in respect of the Operating Agreement. These deeds of amendment came into effect upon Jackpotjoy Operations making a Jackpotjoy and Starspins pre-payment to Gamesys Gibraltar of £150 million on 16 December 2016, following which the Operating Agreement was amended as follows:

(a) the initial term of the Operating Agreement was extended to 23 March 2030 (together with other consequential amendments);

(b) following expiry of the Jackpotjoy Earn-Out Period, the Gamesys Group will provide certain player data to Jackpotjoy Operations on a daily basis;

(c) there is an obligation on the Gamesys Group to place software source code into escrow in circumstances where its free cash balances fall below a £20,000,000 threshold; Gamesys must notify Jackpotjoy Operations promptly if the free cash balance demonstrated by Gamesys' month-end accounts is, in aggregate, below that threshold, and Jackpotjoy Operations has a quarterly audit right to verify such balances;

(d) the JPJ Group may terminate the Operating Agreement on no less than six months' notice, such notice not to be served prior to the earlier of the expiry of the Jackpotjoy Earn-Out Period and 8 April 2019 (and certain employee teams may be transferred to the JPJ Group (at the JPJ Group's request) on three months' notice in the case of brand and marketing employees and six months' notice in the case of other applicable employees);

(e) following expiry of the Jackpotjoy Earn-Out Period, the JPJ Group attains complete discretion and ultimate power of decisions regarding the overarching strategy to be adopted in relation to the Jackpotjoy Brands, while the Gamesys Group retains complete control in respect of the platform and games of the Jackpotjoy Business;

(f) shared jackpot liquidity (between the JPJ Group and the Gamesys Group) may be decoupled on six months' notice (or such longer period as may be required by applicable law) by either party, provided that such notice may not be served prior to 30 September 2017;

(g) in the event that the Gamesys Group commences, between 1 September 2016 and 7 April 2019 (the "**Joint Venture Period**") targeting end users located in any new territory (excluding the Netherlands or United States) for the first time with any real money online bingo services ("**Online Bingo Games**"), then Jackpotjoy Operations may request that the Gamesys Group also makes one or more of the branded sites available in that territory; upon such a request being made, the parties shall use reasonable endeavours to agree in good faith commercially reasonable terms in respect of the Gamesys Group making the relevant branded site(s) available in that territory; such negotiations will proceed on the basis that the Gamesys Group is willing to provide its services in that territory unless there are legally binding restrictions which prevent it from doing so;

(h) Gamesys Gibraltar agrees to adhere to (and to procure that other members of the Gamesys Group shall adhere to) certain additional restrictive covenants (the "**Additional Real Money Covenants**"), namely:

  (i) for 24 months from 8 April 2017 (the "**Bingo Non-Compete Period**"), the Gamesys Group must not provide Online Bingo Games which compete with the branded sites to end users located in the UK, the Republic of Ireland, Sweden or Spain (either directly or on behalf of a third-party) other than in connection with: (i) the services provided under the Operating Agreement, (ii) services provided under a social gaming operating agreement entered into between Jackpotjoy Operations and Gamesys Limited on 26 March 2015, or (iii) services provided to certain existing Gamesys Group customers (including where the Gamesys Group provides such services on a B2B basis in circumstances where the Gamesys Group has an economic interest of 50 per cent. or less in the arrangement);

  (ii) during the Bingo Non-Compete Period, there are restrictions on the Gamesys Group's registration of domains and trademarks which contain any nobility, aristocratic or royal title and the word "bingo"; and

  (iii) for 12 months from 8 April 2018 (the "**Botemania Non-Compete Period**"), the Gamesys Group must not provide Online Bingo Games which compete with the Botemania branded site to end users in Spain (either directly or through a third-party), other than in connection with the services provided under the Operating Agreement;

(i) in consideration for the Additional Real Money Covenants, Jackpotjoy Operations agreed to pay Gamesys Gibraltar approximately £666,000 monthly in arrears over a 3-year period (for a total of £24 million), with the first payment on 30 April 2017; payment of such sum is accelerated if the Operating Agreement is terminated before the sum of £24 million has been paid in full. In the event that VAT becomes due in respect of such payments, then the effect of such VAT shall be borne equally to the extent irrecoverable;

(j) in addition to the existing liability caps within the Operating Agreement, Gamesys Gibraltar's liability for breach of the Additional Real Money Covenants is capped at £44 million; and

(k) in the event of an unremedied breach of the Additional Real Money Covenants, certain of Jackpotjoy Operations' rights under the Operating Agreement will be partially accelerated.

In addition, the deeds of amendment entered into on 5 September 2016 amended the Operating Agreement to provide, among other things, that Jackpotjoy Operations may not serve notice to terminate the Operating Agreement (other than for cause) until at least 8 April 2019 (the "**Initial Term**"), that Jackpotjoy Operations may not serve notice to internalise certain operational functions in connection with the Jackpotjoy Business until the expiry of the Initial Term, and that Jackpotjoy Operations will be able to effect such Internalisation more quickly if such a transition ultimately occurs.

2017 Amendments

On 20 March 2017, Jackpotjoy Operations entered into a deed of amendment in respect of the Operating Agreement, which amended Schedule 12 of the Operating Agreement to set out more clearly the responsibilities and functions of the boards and committees established jointly by the parties to oversee and review the performance of their respective obligations under the Operating Agreement.

2018 Amendments

On 31 December 2018, Jackpotjoy Operations entered into an exit agreement in respect of Sweden, which was subsequently amended by a deed of amendment dated 28 January 2019 (the "**Exit Agreement**"). The Exit Agreement contained a number of amendments to the Operating Agreement. These amendments came into effect on the effective time and date on which the responsibility for the hosting and operation of the Jackpotjoy (Sweden) branded site was assumed by the JPJ Group, being 12:00 p.m. on 12 February 2019, following which the Operating Agreement was amended as follows:

(a) all references to, and obligations of the parties in respect of, the Jackpotjoy (Sweden) branded site were deleted from the Operating Agreement; and

(b) the liability caps for breach by each of the parties under the Operating Agreement were reduced by £7.5 million in each case, being the cap on the liability of each party for breaches of the Exit Agreement.

2019 Amendments

On 24 January 2019, Jackpotjoy Operations entered into a deed of amendment in respect of the Operating Agreement, which extended certain unexpired periods in the Operating Agreement by three months. Such deed of amendment was varied on 15 May 2019 to further extend the unexpired period by 45 days such that, in aggregate:

(a) the Joint Venture Period was extended by 136 days, to end on 21 August 2019;

(b) the Bingo Non-Compete Period and the Botemania Non-Compete Period were extended by 136 days, to end on 21 August 2019;

(c) the Initial Term was extended by 136 days, to end on 22 August 2019; and

(d) the At-Cost Period was extended by 137 days, to end on 8 August 2020; save that "technical costs" and the "software fee" remained subject to the 25 per cent. uplift from 25 March 2020.

17. MATERIAL CONTRACTS OF THE TARGET BUSINESS

There are no contracts (not being contracts entered into in the ordinary course of business) that have been entered into by a member of the Target Business: (a) within the two years immediately preceding the date of this document which are, or may be, material to the Target Business; and (b) at any time, and contain provisions under which the Target Business has an obligation or entitlement which is, or may be, material to any member of the Target Business as at the date of this document.

18. **RELATED PARTY TRANSACTIONS**

18.1 Save as referred to in Note 25 to the JPJ Group's historical financial information for the three years ended 31 December 2018, 2017 and 2016 as incorporated by reference from JPJ's Annual Report and Accounts 2018 and Note 24 to JPJ's Transfer Announcement, there were no related party transactions entered into by the Company or any member of the JPJ Group during the three months ended 31 March 2019 and the financial years ended 31 December 2018, 2017 and 2016 and during the period from 31 March 2019 up to the Latest Practicable Date.

18.2 Save as referred to in Note 22 to the Target Business's historical financial information for the three years ended 31 March 2018, 2017 and 2016 and the nine months ended 31 December 2018 and 2017, there were no related party transactions entered into by any member of the Target Business during the financial years ended 31 March 2018, 2017 and 2016 and the nine months ended 31 December 2018, and during the period from 31 December 2018 up to the Latest Practicable Date.

19. **CONSENTS**

19.1 BDO, whose registered office is at 55 Baker Street, London W1U 7EU, United Kingdom, has given and has not withdrawn its written consent to the inclusion of its reports set out in Section A of "*Part 8: Historical Financial Information of the Target Business*" and Section A (*BDO Report on the Unaudited Pro Forma Financial Information of the Enlarged Group*) of "*Part 9: Unaudited Pro Forma Financial Information*" in the form and context in which they are included and has authorised the contents of its reports for the purposes of 5.5.3R(2)(f) of the Prospectus Rules.

19.2 Canaccord has given, and not withdrawn, its written consent to the issue of this document with the inclusion of the reference to its name in the form and context in which it appears.

19.3 Macquarie has given, and not withdrawn, its written consent to the issue of this document with the inclusion of the reference to its name in the form and contest in which it appears.

20. **GENERAL**

20.1 No net proceeds will be receivable by the Company in connection with the Acquisition.

20.2 The total costs, charges and expenses payable by the JPJ Group in connection with the Acquisition and the issue of this document are estimated to be approximately £14.0 million (including VAT, where relevant).

20.3 The JPJ Shares are and will be admitted with the ISIN GB00BZ14BX56 and SEDOL BZ14BX5. The JPJ Shares will, upon Admission, be traded on the London Stock Exchange under the ticker "GYS".

21. **DOCUMENTS FOR INSPECTION**

21.1 Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) at the offices of the Company at 16 Berkeley Street, London, W1J 8DZ, until the later of 14 days from the date of this document and Admission:

(a) the Articles;

(b) the report by BDO set out in Section A (*BDO Report on the Historical Financial Information of the Target Business*) of "*Part 8: Historical Financial Information of the Target Business*" and the report by BDO set out in Section A (*BDO Report on the Unaudited Pro Forma Financial Information of the Enlarged Group*) "*Part 9: Unaudited Pro Forma Financial Information*"

(c) JPJ's Q1 2019 Results;

(d) JPJ's Annual Report and Accounts 2018;

(e) JPJ's Annual Report and Accounts 2017;

(f) JPJ's Transfer Announcement;

(g) the consent letters referred to in paragraph 19 (*Consents*) of "*Part 11: Additional Information*";

(h) the Primary Sale Agreement;

(i) the Gamesys Warranty and Tax Deed; and

(j) this document.

Dated: 27 June 2019

PART 12: DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"**Accumulation Period**"	a period of up to 12 months during which the salary allocated to Partnership Shares can be accumulated pursuant to the SIP.
"**Acquisition**"	the acquisition by the Company of the entire issued share capital of Target Group Holdco on the terms described in this document.
"**Additional Debt Arrangers**"	has the meaning given to it in risk factor 4.1 (*Financial and Reporting Risks*).
"**Additional Earn-Out**"	certain earn-out payments in relation to the Jackpotjoy Acquisition for each of the 12-month periods commencing on the second, third and fourth anniversary of 1 April 2015, being: (i) £5 million if the Aggregate Intertain Charges for the second such 12-month period are £85 million or more; and (ii) £5 million if the Aggregate Intertain Charges for the third such 12-month period are £92.5 million or more.
"**Additional Facility**"	an additional commitment of the euro equivalent of £175 million by way of an increase to the commitments under the EUR TLB Loan Facility.
"**Additional Real Money Covenants**"	certain restrictive covenants which Gamesys Gibraltar agreed to adhere to (and to procure that other members of the Gamesys Group shall adhere to), namely: (i) for the Bingo Non-Compete Period, the Gamesys Group must not provide Online Bingo Games which compete with the branded sites to end users located in the UK, the Republic of Ireland, Sweden or Spain (either directly or on behalf of a third-party) other than in connection with: (a) the services provided under the Operating Agreement, (b) services provided under a social gaming operating agreement entered into between Jackpotjoy Operations and Gamesys Limited on 26 March 2015, or (c) services provided to certain existing Gamesys Group customers (including where the Gamesys Group provides such services on a B2B basis in circumstances where the Gamesys Group has an economic interest of 50 per cent. or less in the arrangement); (ii) during the Bingo Non-Compete Period, there are restrictions on the Gamesys Group's registration of domains and trademarks which contain any nobility, aristocratic or royal title and the word "bingo"; and (iii) during the Botemania Non-Compete Period, the Gamesys Group must not provide Online Bingo Games which compete with the Botemania branded site to end users in Spain (either directly or through a third-party), other than in connection with the services provided under the Operating Agreement.
"**Adjusted EBITDA**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**Adjusted Net Income**"	has the meaning given to it in "*Presentation of Financial and Other Information*".

"**Admission**"	(i) the admission of the New JPJ Shares and the readmission of the Existing JPJ Shares to the premium listing segment of the Official List; and (ii) the admission of the New JPJ Shares and the readmission of the Existing JPJ Shares to trading on the Main Market.
"**AGCO**"	the Alcohol and Gaming Commission of Ontario.
"**Aggregate Intertain Charges**"	the annual Botemania Intertain charges for each of the 12-month periods commencing on the second, third and fourth anniversary of 1 April 2015 calculated and agreed by Gamesys and the Company shortly after each such 12 month period.
"**Alternative Performance Measures**" or "**APMs**"	alternative performance measures (as defined in the ESMA Guidelines on Alternative Performance Measures)
"**Amended and Restated New Jersey TMLA**"	has the meaning given to it in paragraph 16.7 (*Amended and Restated Virgin TMLAs*) of "*Part 11: Additional Information*".
"**Amended and Restated Virgin TMLA**"	has the meaning given to it in paragraph 16.7 (*Amended and Restated Virgin TMLAs*) of "*Part 11: Additional Information*".
"**AML**"	anti-money laundering.
"**Articles of Association**" or "**Articles**"	the articles of association of the JPJ Group.
"**Audit and Risk Committee**"	the audit and risk committee of the JPJ Group.
"**Automatic Exchange Right**"	the right for each Exchangeable Share (other than those held by the Company and its affiliates) to automatically be purchased from each holder for the Exchangeable Share Purchase Price under Section 5.3 of the Voting and Exchange Trust Agreement.
"**Automatic Exchange Right on Liquidation**"	the right for each Exchangeable Share (other than those held by the Company and its affiliates) to automatically be purchased from each holder for the Exchangeable Share Purchase Price under Section 5.4 of the Voting and Exchange Trust Agreement.
"**Average Active Customers**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**Average Active Customers per Month**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**Average Real Money Gaming Revenue per Month**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**B2B**"	business-to-business.
"**B2C**"	business-to-consumer.
"**Bagelcode**"	Bagelcode Co., Ltd, a South Korean social casino operator.
"**Bagelcode Licence**"	the no-fee, five-year exclusive brand licence to use the Jackpotjoy and Starspins trademarks granted by JPJ Group to Bagelcode on 3 September 2018.
"**BDO**"	BDO LLP, a limited liability partnership registered in England and Wales (with registered number OC305127).

"**Beneficiaries**"	holders (other than the Company and its affiliates) of Exchangeable Shares from time to time.
"**Bingo Non-Compete Period**"	the period of 24 months from 8 April 2017.
"**Botemania**"	as described in paragraph 5.2 (*Operating Segments*) of "Part 2: Information on the JPJ Group".
"**Botemania Non-Compete Period**"	the period of 12 months from 8 April 2018.
"**Broker**"	means the corporate broker who is appointed and announced as broker or joint broker to the Company from time to time.
"**CAD**"	Canadian dollars.
"**Call Rights Agreement**"	the call rights agreement between the Company, Intertain and CallCo under which CallCo agreed to exercise certain overriding call rights over Exchangeable Shares whenever it is possible to do so.
"**CallCo**"	Intertain CallCo ULC.
"**Canaccord**"	Canaccord Genuity Limited
"**Cash Consideration**"	the Deferred Consideration and the Completion Consideration.
"**Casino Control Act**"	the New Jersey Casino Control Act, N.J.S.A. 5:12-1, et seq. as amended in February 2013 by P.L.2013, c.27 (entitled "An act authorizing Internet gaming at Atlantic City casinos under certain circumstances and amending and supplementing the "Casino Control Act").
"**Companies Act**"	the Companies Act 2006 of England and Wales (as amended).
"**Company**"	JPJ Group plc, a public limited company, incorporated on 29 July 2016 in England and Wales with registered number 10303804 with its registered office situated in England and Wales.
"**Completion**"	completion of the Acquisition.
"**Completion Consideration**"	£240 million payable by the Company in cash on Completion to Gamesys Shareholders.
"**Concert Party**"	Noel Hayden, Andrew Dixon (together with related trusts), Robin Tombs (together with his spouse Wendy Tombs and related trusts), together with the senior management team of Gamesys, which comprises Lee Fenton (CEO of Gamesys), Robeson Reeves (COO of Gamesys), and Michael Mee (CFO of Gamesys).
"**Conditions**"	certain conditions set out in the Primary Sale Agreement, as described in paragraph 16.2 (*Primary Sale Agreement*) of "*Part 11: Additional Information*", 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 which must occur before Completion can occur.
"**Consideration**"	has the meaning given to it in paragraph 2 (*Terms of the Acquisition*) of "*Part 1: Letter from the Chairman of JPJ Group plc*".
"**Content Holdco**"	Rabbitfoot Games (UK) Limited, a company incorporated in England and Wales and which will hold the Residual Content Business.
"**Corporate Governance Code**"	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time.

“**Covenantors**”	Noel Hayden, Lee Fenton, Michael Mee, Robeson Reeves and Phillip Graham
“**Credit Facilities**”	Facility B and the Revolving Credit Facility.
“**CREST**”	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator.
“**CREST Proxy Instruction**”	an appropriate CREST message, properly authenticated in accordance with Euroclear’s specifications and containing the information required for such instruction, as described in the CREST manual.
“**Cryptologic Operations**”	Cryptologic Operations Limited, a company duly organised and existing under the laws of Malta.
“**CSIE**”	Casino Service Industry Enterprise.
“**Current Market Price**”	means, in respect of a JPJ Share on any date, the CAD equivalent of the average of the closing prices (if available) of JPJ Shares on the London Stock Exchange during a period of 20 consecutive trading days ending on the third trading day before such date, or, if the JPJ Shares are not then listed on the London Stock Exchange, the CAD equivalent of the average of the closing prices (if available) of JPJ Shares on the principal exchange on which the JPJ Shares are then listed; provided, however, that if in the opinion of the Intertain board the public distribution or trading activity of JPJ Shares during such period does not create a market which reflects the fair market value of a JPJ Share, then the Current Market Price of a JPJ Share shall be determined by the Intertain board, in good faith and in its sole discretion, and provided further that any such selection, opinion or determination by the Intertain board shall be conclusive and binding.
“**DDoS**”	a distributed denial of service.
“**Deferred Consideration**”	£10 million payable by the Company in cash to Gamesys Shareholders 30 months after Completion.
“**DGE**”	the New Jersey Division of Gaming Enforcement.
“**Diluted Adjusted Net Income per Share**”	has the meaning given to it in “*Presentation of Financial and Other Information*”.
“**Disclosure Guidance and Transparency Rules**”	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of FSMA.
“**Distribution**”	means a dividend or other distribution (including a return of capital) on a share.
“**Distribution Amount**”	means an amount equal to all declared and unpaid Distributions (if any) on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase of such share by CallCo from such holder.
“**Dividend Shares**”	JPJ Shares held on behalf of a participant in the SIP which the JPJ Board may allow or require a participant to purchase using the whole or part of any dividends paid on JPJ Shares held on that participant’s behalf in the SIP.
“**Dumarca**”	Dumarca Holdings Limited, a company duly organised and existing under the laws of Malta.
“**EC**”	the European Commission.

"**ECJ**"	the European Court of Justice.
"**Economic Equivalence Payment**"	means the payment in connection with the retraction, redemption or purchase of Exchangeable Shares pursuant to the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement and the Plan of Arrangement, as the case may be.
"**Enlarged Group**"	the enlarged group following Completion, comprised of the JPJ Group and the Target Business.
"**Enlarged Group Board**"	the board of directors of the Enlarged Group.
"**EPL Gibraltar**"	EPL Gibraltar Limited, a wholly owned subsidiary of Gamesys Limited.
"**Escrow Account**"	the £20 million of the cash component of the Consideration which will be held in an escrow account administered by an independent third-party escrow agent.
"**EU**"	the European Union.
"**EUR**" or "**€**"	euros.
"**EURIBOR**"	the Euro Interbank Offered Rate.
"**Euro TLB Loan Facility**"	a €140 million term loan made available to the Company and certain of its subsidiaries pursuant to the Senior Facilities Agreement.
"**Exchangeable Share Provisions**"	the Exchangeable Share provisions set out in the Plan of Arrangement.
"**Exchangeable Share Purchase Price**"	means: (a) the Share Consideration; (b) a cash amount equal to the Economic Equivalence Payment; and (c) on the designated payment date therefor, an amount in cash equal to the Distribution Amount (if any), in each case, less any amounts withheld on account of tax.
"**Exchangeable Share Redemption/ Liquidation Price**"	means: (a) the Share Consideration; (b) a cash amount equal to the Economic Equivalence Payment; and (c) an amount in cash equal to the unpaid Distributions (if any), in each case, less any amounts withheld on account of tax.
"**Exchangeable Share Retraction Price**"	means: (a) the Share Consideration; (b) a cash amount equal to the Economic Equivalence Payment; and (c) on the designated payment date therefor, an amount in cash equal to the unpaid Distributions (if any), in each case, less any amounts withheld on account of tax.

"**Exchangeable Share Structure**"	means the Exchangeable Share structure implemented by the Company through a chain of subsidiaries, as further described in paragraph 5 (*Description of Exchangeable Share Structure*) of "*Part 11: Additional Information*".
"**Exchangeable Share Support Agreement**"	the agreement entered into by the Company, CallCo and Intertain which effectively underpins the obligations of Intertain and CallCo as towards the holders of Exchangeable Shares by imposing obligations on the Company to provide support to Intertain and/or CallCo of their respective obligations.
"**Exchangeable Share Transfer Price**"	as applicable, the Exchangeable Share Purchase Price, the Exchangeable Share Redemption/Liquidation Price or the Exchangeable Share Retraction Price.
"**Exchangeable Shareholders**"	the holders of Exchangeable Shares.
"**Exchangeable Shares**"	the exchangeable shares issued by Intertain.
"**ExchangeCo**"	Intertain ExchangeCo Limited, a company incorporated under the laws of Ontario.
"**Executive Directors**"	Neil Goulden, Simon Wykes and Keith Laslop.
"**Existing JPJ Shares**"	the existing ordinary shares of £0.10 in the capital of the Company immediately prior to Admission.
"**Facility B**"	the GBP TLB Loan Facility and the Euro TLB Loan Facility.
"**FCA**"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA.
"**Fifty States**"	Fifty States Limited, a company duly organised and existing under the laws of the Isle of Man.
"**Fifty States Gibraltar**"	Fifty States (Gibraltar) Limited, a company duly organised and existing under the laws of Gibraltar.
"**Fifty States Gibraltar SPA**"	the share purchase agreement dated 26 March 2015 between Profitable Play, Leisure Spin, Gamesys Spain and Fifty States in connection with the JPJ Reorganisation.
"**Fifty States Group**"	Fifty States and Fifty States Gibraltar.
"**Free Shares**"	JPJ Shares with a value of up to £3,600 that may be awarded for free to each employee in a tax year pursuant to the SIP ("**Free Shares**").
"**FSMA**"	the Financial Services and Markets Act 2000 (as amended).
"**Games Licence Agreements**"	(i) the non-US games licence agreement to be entered into between Rabbitfoot Gibraltar, a member of the Residual Content Business, and Gamesys Gibraltar, a member of the Target Business, on or before Completion, and (ii) the US games licence agreement to be entered into between Content Holdco, a member of the Residual Content Business, and Gamesys Limited, a member of the Target Business, on or before Completion.
"**Gamesys**"	Gamesys (Holdings) Limited, a company incorporated in Jersey.
"**Gamesys Board**"	the board of directors of Gamesys.
"**Gamesys Gibraltar**"	Gamesys (Gibraltar) Limited, a company duly organised and existing under the laws of Gibraltar.

"**Gamesys Group**"	Gamesys and its subsidiaries and subsidiary undertakings from time to time.
"**Gamesys Group Corporate Reorganisation**"	the internal reorganisation of the Gamesys Group into three different sub-groups of companies which will respectively hold the Target Business, the Residual Content Business and the Residual Sports Business.
"**Gamesys Group Demerger**"	the separation of the Target Business, the Residual Content Business and the Residual Sports Business by way of demerger, following which the Gamesys Shareholders will hold the entire issued share capital of each of (i) Target Group Holdco, which will hold the Target Business; (ii) Content Holdco, which will hold the Residual Content Business; and (iii) Sports Holdco, which will hold the Residual Sports Business.
"**Gamesys Group Post-Demerger Reorganisation**"	the buyback of all of Lee Fenton and Robeson Reeves' respective shares in Residual Business Holdco and the investment by Lee Fenton and Robeson Reeves into Sports Holdco, such that all Gamesys Shareholders (other than Lee Fenton and Robeson Reeves) will hold the entire issued share capital of Residual Business Holdco which, in turn, will hold the entire issued share capital of Content Holdco, which will hold the Residual Content Business and, together with Lee Fenton and Robeson Reeves, the entire issued share capital of Sports Holdco, which will hold the Residual Sports Business.
"**Gamesys Group Reorganisation**"	the Gamesys Group Corporate Reorganisation, the Gamesys Group Share Reorganisation, the Gamesys Group Demerger and the Gamesys Group Post-Demerger Reorganisation.
"**Gamesys Group Share Reorganisation**"	the reorganisation of the share capital of Target Group Holdco.
"**Gamesys Limited**"	Gamesys Limited, a company duly organised and existing in England and Wales
"**Gamesys Majority Shareholders**"	Noel Hayden, Andrew Dixon, Robin Tombs, Lee Fenton, Robeson Reeves and Michael Mee.
"**Gamesys Minority Shareholders**"	the Gamesys Shareholders other than the Gamesys Majority Shareholders.
"**Gamesys Shareholders**"	the shareholders of Target Group Holdco as at the date of this document.
"**Gamesys Spain**"	Gamesys Spain PLC, a company incorporated in the Channel Islands and duly organised and existing under the laws of Gibraltar.
"**Gamesys Warranty and Tax Deed**"	the warranty and tax deed entered into on 13 June 2019 between the Company and the Gamesys Majority Shareholders in connection with the Acquisition.
"**GB Gambling Act**"	the Gambling Act 2005 (as amended by the Gambling (Licensing and Advertising) Act 2014).
"**GBGC**"	the Gambling Commission in Great Britain.
"**GBP**" or "**£**"	British pound sterling.
"**GBP TLB Loan Facility**"	a £250 million term loan made available to the Company and certain of its subsidiaries pursuant to the Senior Facilities Agreement.
"**GDPR**"	the General Data Protection Regulation 2016/679.
"**Gibraltar Act**"	the Gibraltar Gambling Act 2005.

"**Gibraltar Regulator**"	the Licensing Authority (Gambling Division) of HM Government of Gibraltar.
"**Good Leaver Reason**"	injury, disability, redundancy, retirement, a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or, if the relevant employment is employment by an associated company, change of control or other circumstances ending that company's status as an associated company.
"**GRS**"	Global Radio Services Limited.
"**GRS Agreement**"	the agreement entered into between EPL Gibraltar and GRS on 22 February 2018 relating to the operation of the Heart Bingo site which provides online bingo, slots, instant win and casino games with an exclusive use of the Heart brand for these services for an initial term expiring on 31 March 2021, following which the agreement will continue on a rolling basis.
"**HMRC**"	Her Majesty's Revenue & Customs.
"**IFRS**"	International Financial Reporting Standards as issued by the International Accounting Standards Board, unless otherwise indicated.
"**Independent Committee**"	an independent committee of the board of directors of Intertain appointed to investigate the allegations made in the Report.
"**Independent Non-Executive Directors**"	Colin Sturgeon, Nigel Brewster, Jim Ryan and Andria Vidler.
"**Infrastructure Services**"	collectively, certain of the JPJ Group's technology providers, payment processing partners, or other suppliers of content or services.
"**Initial Cash Consideration**"	£369,047,221 in cash less the Intra-Group Debt, forming part of the Jackpotjoy Purchase Price.
"**Initial Consideration**"	the Initial Cash Consideration; £1,405,954 in cash; 7,361,365 common shares of Intertain and the assumption of the obligation to repay the Intra-Group Debt in full on the Jackpotjoy Closing Date.
"**Initial Term**"	the initial term of the Operating Agreement being from 24 March 2015 until 8 April 2019, which was subsequently extended by three months on 24 January 2019 to end on 8 July 2019.
"**InterCasino**"	the JPJ Group's InterCasino brand.
"**Internalisation**"	the proposed internalisation by the JPJ Group of certain operating functions currently undertaken by the Gamesys Group in circumstances where Completion does not occur.
"**Intertain**"	the Intertain Group Limited which became an indirect subsidiary of the JPJ Group, pursuant to the Plan of Arrangement.
"**Intertain Holdings**"	Intertain Holdings Inc., a company duly organised and existing under the laws of Ontario.
"**ISO**"	the International Organisation for Standardisation.
"**Jackpotjoy Acquisition**"	the acquisition of the entire issued share capital of Fifty States by Intertain on 8 April 2015 pursuant to which it acquired the Jackpotjoy Brands under the terms of the Jackpotjoy SPA.
"**Jackpotjoy Amending Agreements**"	deeds of amendment entered into on 5 September 2016 in respect of the Jackpotjoy SPA and the Operating Agreement.

"**Jackpotjoy Brands**"	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.
"**Jackpotjoy Business**"	the Jackpotjoy Brands (and certain minor real money bingo led sites operated on behalf of third-party band owing partners) when combined with the services provided by Gamesys and Gamesys Gibraltar under the Operating Agreement.
"**Jackpotjoy Closing Date**"	8 April 2015.
"**Jackpotjoy Earn-Out Payments**"	earn-out payments in connection with the Jackpotjoy SPA, payable in cash, based upon the financial performance of the Jackpotjoy Business in various periods during the five years following the Jackpotjoy Closing Date.
"**Jackpotjoy Earn-Out Period**"	the period commencing on the day after the Jackpotjoy Closing Date and ending on the date on which all amounts which have become (or may still become) due in respect of the Jackpotjoy, Starspins and Botemania earn-outs (including all interest accrued thereon) have been paid in full (both dates inclusive).
"**Jackpotjoy Operating Functions**"	certain assets, relationships, content, technologies, business infrastructure and controls over financial reporting necessary for the successful and profitable operation of the Jackpotjoy Business, including player databases, partner contracts, and advertising assets and relationships.
"**Jackpotjoy Operating Platform**"	certain operating assets, such as marketing algorithms, game platforms and certain underlying technology infrastructure in connection with the Jackpotjoy Brands.
"**Jackpotjoy Operations**"	Jackpotjoy Operations Ltd.
"**Jackpotjoy Purchase Price**"	the Initial Consideration**,** a cash adjustment to take account of any accrued cash and receivables within the Fifty States Group as at the Jackpotjoy Closing Date, less any liabilities, in each case by reference to its trading for the period from the JPJ Reorganisation to the Jackpotjoy Closing Date and the Jackpotjoy Earn-Out Payments.
"**Jackpotjoy SPA**"	the definitive share purchase agreement dated 5 February 2015 between Gamesys and Intertain, as amended on 5 September 2016 by the applicable Jackpotjoy Amending Agreement, whereby the parties agreed to complete the Jackpotjoy Acquisition.
"**JerseyCo**"	Intertain JerseyCo Limited.
"**JO Agreement**"	the employment agreement between Keith Laslop and Intertain Bahamas Limited (now Jackpotjoy Operations) as Chief Financial Officer, dated 27 April 2017.
"**Joint Venture Period**"	the period initially between 1 September 2016 and 7 April 2019 and subsequently extended, on 24 January 2019, by three months to end on 7 July 2019.
"**JPJ**" or **the** "**Company**"	JPJ Group plc, a public limited company, incorporated on 29 July 2016 in England and Wales with registered number 10303804 with its registered office situated in England and Wales.
"**JPJ Board**"	the board of directors of the Company.

"**JPJ Branded Sites**"	the websites and apps made available by the JPJ Group to end users on a B2C basis branded Jackpotjoy, Starspins and Botemania.
"**JPJ CFO Contract**"	the contract for services between Keith Laslop and the Company whereby Mr. Laslop was appointed as Chief Financial Officer and director of the Company.
"**JPJ Directors**"	Neil Goulden, Simon Wykes, Keith Laslop, Colin Sturgeon, Nigel Brewster, Jim Ryan and Andria Vidler.
"**JPJ General Meeting**"	the general meeting of the Company to be held at 2 p.m. on 31 July 2019 at The May Fair, Stratton Street, London W1J 8LT.
"**JPJ Group**"	the Company and its subsidiary undertakings from time to time.
"**JPJ Group Historical Financial Information**"	the historical financial information in "*Part 7: Historical Financial Information of the JPJ Group*".
"**JPJ Reorganisation**"	the reorganisation carried out by Gamesys prior to completion of the Jackpotjoy Acquisition pursuant to which, among other things, the Jackpotjoy Brands were transferred to the Fifty States Group.
"**JPJ Shareholder Resolutions**"	the resolutions to be proposed at the JPJ General Meeting, being: 1. Resolution 1 which seeks approval of the Acquisition and is conditional upon the passing of resolution 2. Resolution 1 is proposed as an ordinary resolution requiring a simple majority of votes cast in favour; and 2. Resolution 2 which seeks authority to allot and issue JPJ Shares up to an aggregate nominal value of £3,365,384.60 and is conditional upon the passing of resolution 1. Resolution 2 is also proposed as an ordinary resolution requiring a simple majority of votes cast in favour.
"**JPJ Shareholders**"	holders of JPJ Shares.
"**JPJ Shares**"	the ordinary shares of £0.10 each in the Company.
"**JPJ's Annual Report and Accounts 2018**"	the JPJ Group's annual report and accounts for the year ended 31 December 2018.
"**JPJ's Q1 2019 Results**"	the JPJ Group's announcement entitled "*Results for the Three Months Ended 31 March 2019*" dated 15 May 2019, including the JPJ Group's financial results as set out therein.
"**JPJ's Transfer Announcement**"	the JPJ Group's announcement titled "*Notification of a Transfer to a Premium Listing*" dated 27 June 2018.
"**KPI**"	key performance indicator.
"**Latest Practicable Date**"	25 June 2019.
"**Legacy Gamesys Non-Bingo Games Content**"	non-bingo games developed and made available by the Gamesys Group.
"**Leisure Spin**"	Leisure Spin Limited.
"**LIBOR**"	the London Interbank Offered Rate.
"**Listing Rules**"	the listing rules made by the FCA under Part VI of FSMA.

"**Livescore Acquisition Agreement**"	the agreement dated 19 December 2017 between (i) Whois Privacy & Proxy Inc, VIQI Inc, Livescore Limited, Minelytix S.R.O. and Livescore S.R.O, (as sellers); (ii) LS Services Limited, S.R.O., Hanist Limited, Iawa Limited (as buyers); and (iii) Gamesys Limited (as guarantor), together with any amendment(s) or applicable agreements which may result in any payment from, or any liability to, any member of the Target Group at any time.
"**London Stock Exchange**"	London Stock Exchange plc.
"**Long Stop Date**"	31 December 2019.
"**LTIP**"	the JPJ Group's long term incentive plan.
"**Luxco**"	Luxembourg Investment Company 192 S.à.r.l.
"**Macquarie**"	Macquarie Capital (Europe) Limited.
"**Main Market**"	the London Stock Exchange's main market for listed securities.
"**Maltese Gaming Act**"	the Maltese Gaming Act (Chapter 583 of the Laws of Malta) which came into force on 1 August 2018.
"**Managed Services Agreement**"	the managed services agreement entered into between Gamesys US LLC and SBTech dated 26 April 2019.
"**Mandalay Group**"	collectively, Mandalay Media, Jet Management Group Limited (a company duly organised and existing under the laws of Bahamas) and Jet Media Limited (a company duly organised and existing under the laws of Gibraltar).
"**Mandalay Media**"	Mandalay Media Limited, a company duly organised and existing under the laws of the Bahamas.
"**Mandalay Segment**"	the real money operating results of various online bingo websites operated by the Mandalay Group, including Costa Bingo, and the operating results of affiliates.
"**Mandated Lead Arrangers**"	the mandated lead arrangers under the Senior Facilities Agreement, being Macquarie Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC.
"**Market Abuse Regulation**"	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
"**Matching Shares**"	JPJ Shares offered, at the discretion of the JPJ Board, for free to an employee who has purchased Partnership Shares pursuant to the SIP.
"**MGA**"	the Malta Gaming Authority.
"**MLRO**"	the Money-Laundering Reporting Officer.
"**Monthly Real Money Gaming Revenue per Average Active Customer**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**New JPJ Shares**"	33,653,846 (such number subject to adjustment in the event of any stock split, stock consolidation or other corporate event which adjusts the nominal value of the Existing JPJ Shares prior to completion) new ordinary shares to be issued by the Company in connection with the Acquisition.

"**NI 62-104**"	National Instrument 62-104—*Takeover Bids and Issuer Bids*
"**Nomination Committee**"	the nomination committee of the JPJ Board.
"**Nozee**"	Nozee Limited, a wholly owned subsidiary of Gamesys Limited.
"**OBCA**"	the Business Corporations Act (Ontario).
"**Official List**"	the Official List of the FCA.
"**Online Bingo Games**"	real money online bingo services.
"**Operating Agreement**"	the real money gaming operating agreement entered into by Fifty States Gibraltar on 24 March 2015 with Gamesys Gibraltar (as novated by Fifty States Gibraltar to Jackpotjoy Operations on 17 April 2015 and as amended on 5 September 2016 by the applicable Jackpotjoy Amending Agreement), pursuant to which Gamesys Gibraltar provides to the JPJ Group certain operational, financial, marketing, player services and support services for the real money gambling activities carried out by Gamesys Gibraltar and certain of its subsidiaries by exploiting certain of the assets comprised within the Jackpotjoy Brands for up to 15 years.
"**Operator**"	the operator of the relevant system.
"**Panel**"	the Panel on Takeovers and Mergers.
"**Partnership Shares**"	JPJ Shares purchased by an employee pursuant to the SIP, at the discretion of the JPJ Board, using pre-tax salary
"**PD Regulation**"	European Commission Regulation (EC) No. 809/2004, as amended.
"**PDMR**"	person discharging managerial responsibility.
"**Plan of Arrangement**"	a court supervised plan of arrangement under the OBCA undertaken by the JPJ Group (then Intertain) in connection with its admission to trading on the London Stock Exchange in January 2017, pursuant to which Intertain and ExchangeCo undertook a share-for-share exchange which resulted in Intertain becoming an indirect subsidiary of the JPJ Group, with the JPJ Group being entitled to exercise 100 per cent. of the voting rights in Intertain.
"**Previous Credit Facilities**"	loan facilities comprising: (i) an approximately £53.3 million incremental first lien term facility; (ii) a €20 million first lien term loan facility; and (iii) a £90 million second lien term loan facility, which Intertain obtained pursuant to a second lien credit agreement.
"**Primary Sale Agreement**"	the conditional sale and purchase agreement in respect of the entire issued share capital of Target Group Holdco entered into between the Gamesys Majority Shareholders and the Company dated 13 June 2019.
"**Pro Forma Net Leverage**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**Profitable Play**"	Profitable Play Limited.
"**Proposed Directors**"	Lee Fenton and Robeson Reeves.
"**Prospectus Directive**"	European Union Directive 2003/71/EC (as amended).
"**Prospectus Rules**"	the Prospectus Rules made by the FCA under Part VI of FSMA.
"**Rabbitfoot Gibraltar**"	Rabbitfoot (Gibraltar) Limited, a member of the Residual Content Business.

"**Real Money Gaming**"	has the meaning given to it in paragraph 4.2 (*Revenue*) of "*Part 6: Operating and Financial Review of the Target Business*".
"**Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).
"**Remuneration Committee**"	the remuneration committee of the JPJ Board.
"**Report**"	the report published on 17 December 2015 by a self-described short-seller, Spruce Point Capital Management.
"**Residual Business**"	the Residual Sports Business, the Residual Content Business and certain other immaterial subsidiaries of the Gamesys Group.
"**Residual Business Holdco**"	Reunited Holdings Limited, a company incorporated in Jersey.
"**Residual Content Business**"	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.
"**Residual Sports Business**"	the "Virgin Bet" branded sports betting business of the Gamesys Group and the "Livescore" sports data and media business.
"**Restricted Territories**"	the UK, Spain, Sweden and New Jersey, USA.
"**Revolving Credit Facility**"	the £13,500,000 revolving credit facility made available to JPJ Group plc and certain of its subsidiaries pursuant to the Senior Facilities Agreement.
"**RGA**"	the Spanish State Act no. 13/2011 dated 27 May 2011 on the Regulation of Gambling Activities.
"**RGD**"	remote gaming duty tax.
"**SAYE**"	the JPJ Save As You Earn Plan.
"**SAYE Option**"	options awarded under the SAYE.
"**SBTech**"	SBTech (Global) Limited, a company incorporated in Malta.
"**SDRT**"	stamp duty reserve tax.
"**Secondary Sale Agreement**"	the sale and purchase agreement in respect of the shares of Target Group Holdco which, on completion of the Gamesys Group Reorganisation, will be held by the Gamesys Minority Shareholders, to be entered into between the Gamesys Minority Shareholders and the Company on or before Completion.
"**Security Agreement**"	the agreement between the Company and JerseyCo providing for, among other things, certain consequences of an event of default (as such term defined in the Security Agreement) in respect of JerseyCo, as may be amended, supplemented or otherwise modified from time to time.
"**Seller Transaction Documents**"	the Gamesys Warranty and Tax Deed, the Primary Sale Agreement and any other agreement to be entered into in connection with either the Warranty and Tax Deed and/or the Primary Sale Agreement (including, for the avoidance of doubt, the reorganisation documents and all agreed form documents under the Warranty and Tax Deed and/or the Primary Sale Agreement).

"**Senior Facilities Agreement**"	the English law governed senior facilities agreement dated 6 December 2017 and made between, among others, the Company, Macquarie Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC as mandated lead arrangers, Global Loans Agency Services Limited as agent and GLAS Trust Corporation Limited as security agent (as amended from time to time).
"**Senior Managers**"	those persons named as senior managers in "*Part 4: Directors, Proposed Directors, Senior Managers and Corporate Governance*" of this document.
"**SGG**"	Scientific Games (Gibraltar) Limited.
"**SGG Agreement**"	the agreement entered into by Gamesys Gibraltar and SGG on 5 October 2015 for the provision of games to Gamesys Gibraltar for its use on agreed websites.
"**Share Cash Equivalent**"	means an amount equal to the net cash proceeds derived from the sale of the relevant JPJ Share outside of the United States or, if Intertain, CallCo or the Company (as applicable) determines not to sell such JPJ Share, an amount equal to the applicable Current Market Price of a JPJ Share.
"**Share Consideration**"	means in respect of a particular date, the Current Market Price of a JPJ Share on the last business day prior to such date, which shall be satisfied in full: (a) in the case of a holder of Exchangeable Shares other than a US holder, the Company or an affiliate of the Company, at the election of the Company, Intertain or CallCo, as the case may be, in its sole discretion, by: (i) causing to be delivered to such holder one JPJ Share; or (ii) by a payment of the Share Cash Equivalent (provided, for the avoidance of doubt, that there is no current intention for the cash option to be exercised on any retraction, redemption, purchase or liquidation of Exchangeable Shares); or (b) in any other case by the Company, Intertain or CallCo, as the case may be, by a payment in cash in an amount equal to the Share Cash Equivalent.
"**SIP**"	the JPJ Share Incentive Plan.
"**SIP Trust**"	the UK resident trust through which the SIP operates.
"**SOP**"	the JPJ Group's share option plan.
"**Spanish Purchase Option**"	the option granted by Gamesys Gibraltar to the JPJ Group to purchase the entire issued share capital of Gamesys Spain.
"**Sponsor Agreement**"	the sponsor agreement entered into between the Company and Canaccord on or around the date of this document.
"**Sports Holdco**"	Livescore Sports & Media Limited, a company incorporated in England and Wales and which will hold the Residual Sports Business.
"**Starspins**"	as described in paragraph 5.2 (*Operating Segments*) of "Part 2: Information on the JPJ Group".

"**Support Services**"	has the meaning given to it in paragraph 4.2 (*Revenue*) of "*Part 6: Operating and Financial Review of the Target Business*".
"**Swedish Gambling Act**"	the amended Swedish Gambling Act that came into force on 1 January 2019.
"**Takeover Code**"	the City Code on Takeovers and Mergers.
"**Target Business**"	all the business, assets and liabilities of the Gamesys Group, other than the Residual Content Business, the Residual Sports Business and certain other immaterial subsidiaries of the Gamesys Group and their respective assets and liabilities.
"**Target Business Back Office**"	has the meaning given to it in "*Part 3: Information on the Target Business*".
"**Target Business Bingo Games Content**"	bingo games developed and made available by the Target Business.
"**Target Business Branded Sites**"	has the meaning given to it in "*Part 3: Information on the Target Business*".
"**Target Business Historical Financial Information**"	the historical financial information in *"Part 8: Historical Financial Information of the Target Business"*.
"**Target Business Technology Platforms**"	has the meaning given to it in "*Part 3: Information on the Target Business*".
"**Target Group**"	the group of companies which, following completion of the Gamesys Group Reorganisation, will hold all assets and liabilities comprised within the Target Business, the ultimate holding company of which will be Target Group Holdco which will be owned by the Gamesys Shareholders.
"**Target Group Holdco**"	Reunited Target Newco Limited, a company incorporated in Jersey.
"**TB Average Active Customers**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**TB Average Active Customers per Month**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**TB Average Real Money Gaming Revenue per Month**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**TB MIP**"	the management incentive plan introduced by Gamesys during the year ended 31 March 2017.
"**TB Monthly Real Money Gaming Revenue per Average Active Customer**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**TB Total Real Money Gaming Revenue**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**TFEU**"	the Treaty for the Functioning of the European Union.
"**Total Real Money Gaming Revenue**"	has the meaning given to it in "*Presentation of Financial and Other Information*".
"**Transition Plan**"	the exit plan contemplated by the Operating Agreement which would be developed by the parties to enable the Jackpotjoy Operating Functions to

be transitioned to the JPJ Group in an orderly manner and which has now been materially developed by the JPJ Group.

"**Tropicana**" Tropicana Atlantic City, Corp.

"**Tropicana Licence Agreement**" the agreement entered into between Gamesys Limited and Tropicana on 29 July 2013, pursuant to which (amongst other things) Gamesys Limited licenses use of its software to Tropicana to enable Tropicana to make online games and third party products available to players in the US state of New Jersey.

"**Tropicana Site**" has the meaning given to it in "*Part 3: Information on the Target Business*".

"**TSX**" the Toronto Stock Exchange.

"**UK**" or "**United Kingdom**" the United Kingdom of Great Britain and Northern Ireland.

"**Unaudited Pro Forma Financial Information**" (i) 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 the JPJ Group as if the Acquisition had taken place on 31 March 2019; and (ii) 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 the JPJ Group as if the Acquisition had taken place on 1 January 2018.

"**Underlying Shares**" the JPJ Shares to which the Voting and Exchange Trust Agreement relates which were issued to JerseyCo pursuant to the Plan of Arrangement, with the number of such JPJ Shares corresponding to the number of Exchangeable Shares issued pursuant to the Plan of Arrangement.

"**US**", "**USA**" or "**United States**" United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**USD**" United States dollars.

"**VAT**" value added tax.

"**VEL**" Virgin Enterprises Limited.

"**Vera&John**" collectively, Dumarca and the various online casino businesses of the Vera&John group, including the Vera&John online gambling brand.

"**Vera&John Business**" the real money online casino operating results of various brands operated by Dumarca and Cryptologic Operations, including Vera&John and InterCasino.

"**Virgin Agreement**" has the meaning given to it in paragraph 5.1 (*The Target Business Branded Sites and Tropicana Site*) of "*Part 3: Information on the Target Business*".

"**Virgin Bet TMLA**" has the meaning given to it in paragraph 16.7 (*Amended and Restated Virgin TMLA*) of "*Part 11: Additional Information*".

"**Virgin NJ Agreement**" has the meaning given to it in paragraph 5.1 (*The Target Business Branded Sites and Tropicana Site*) of "*Part 3: Information on the Target Business*".

"**Voting and Exchange Trust Agreement**" the voting and exchange trust agreement entered into by the Company, Intertain, JerseyCo and the Voting Trustee as part of the Plan of Arrangement.

"**Voting Trustee**" Computershare Trust Company of Canada.

“**W&I Policies**”	the warranty and indemnity insurance policies entered into by the Company with Hunter George & Partners Limited and Ambridge Europe Limited.
“**Warrant**”	has the meaning given to it in paragraph 16.11 (*Warrant Instrument*) of “*Part 11: Additional Information*”.
“**Warrant Holder**”	has the meaning given to it in paragraph 16.11 (*Warrant Instrument*) of “*Part 11: Additional Information*”.
“**Warrant Instrument**”	has the meaning given to it in paragraph 16.11 (*Warrant Instrument*) of “*Part 11: Additional Information*”.
“**Warranties**”	customary title, capacity and business warranties given by the Gamesys Majority Shareholders in relation to the Target Group (and in respect of any member of the Gamesys Group to the extent it is transferring any assets or liabilities to the Target Group as part of the Gamesys Group Reorganisation.

In this document, words denoting any gender include all genders (unless the context otherwise requires).

INFORMATION INCORPORATED BY REFERENCE

The tables below set out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this document so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for JPJ Shareholders or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

JPJ Group financial information for the three months ended 31 March 2019

Information incorporated by reference into this document	Reference document	Page number in reference document
Independent Review Report to JPJ Group plc	JPJ's Q1 2019 Results	10-11
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income	JPJ's Q1 2019 Results	12
Unaudited Interim Condensed Consolidated Balance Sheets	JPJ's Q1 2019 Results	13
Unaudited Interim Condensed Statements of Changes in Equity	JPJ's Q1 2019 Results	14
Unaudited Interim Condensed Consolidated Statements of Cash Flows	JPJ's Q1 2019 Results	15
Supplementary Notes for the Three Months Ended 31 March 2019	JPJ's Q1 2019 Results	16-29

Historical financial information for the year ended 31 December 2018

Information incorporated by reference into this document	Reference document	Page number in reference document
Independent Auditor's Report to the members of JPJ Group plc	JPJ's Annual Report and Accounts 2018	78-82
Consolidated Statements of Comprehensive Income	JPJ's Annual Report and Accounts 2018	83
Consolidated Balance Sheets	JPJ's Annual Report and Accounts 2018	84
Statement of Changes in Equity	JPJ's Annual Report and Accounts 2018	85
Consolidated Statements of Cash Flows	JPJ's Annual Report and Accounts 2018	86
Notes to the Consolidated Financial Statements	JPJ's Annual Report and Accounts 2018	90-117

Historical financial information for the years ended 31 December 2016 and 2017

Information incorporated by reference into this document	Reference document	Page number in reference document
Independent Auditor's Report to the members of JPJ Group plc	JPJ's Transfer Announcement	6-7
Consolidated Statement of Comprehensive Income	JPJ's Transfer Announcement	8-9
Consolidated Balance Sheet	JPJ's Transfer Announcement	9-10
Statement of Changes in Equity	JPJ's Transfer Announcement	10-11
Consolidated Cash Flow Statement	JPJ's Transfer Announcement	11-13
Notes to the Consolidated Financial Statements	JPJ's Transfer Announcement	13-46

Results of operations for the three months ended 31 March 2019 against the three months ended 31 March 2018

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Key performance indicators*"	JPJ's Q1 2019 Results	9
Financial Performance	(i) All text and tables under the headings "*Financial Summary*" and "*Financial highlights for first quarter*"	JPJ's Q1 2019 Results	1
	(ii) All text and tables under the heading "*Financial Review*"		6-7
	(iii) Note 4—Segment information		17
Operating Results	All text and tables under the heading "*Operational Highlights*"	JPJ's Q1 2019 Results	2
Liquidity and Capital Resources	(i) Note 5—Costs and expenses	JPJ's Q1 2019 Results	21
	(ii) Note 7—Interest income/expense		22
	(iii) Note 10—Trade and other receivables		23
	(iv) Note 11—Other long-term receivables		24
	(v) Note 16—Credit facilities		26
	(vi) Note 17—Financial Instruments		27
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Q1 2019 Results	17

Results of operations for the year ended 31 December 2018 against the year ended 31 December 2017

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Key Performance Indicators*"	JPJ's Annual Report and Accounts 2018	18
Financial Performance	(i) All text and tables in the section entitled "*Financial Review*" up to and including the text under the heading "*Dividends*"	JPJ's Annual Report and Accounts 2018	19-25
	(ii) Note 5—Segment information		98-101
Operating Results	All text and tables under the heading "*Operational Review: Jackpotjoy division*"	JPJ's Annual Report and Accounts 2018	14-15
	All text and tables under the heading "*Operational Review: Vera&John division*"		16, 17
Liquidity and Capital Resources	(i) Note 6—Costs and expenses	JPJ's Annual Report and Accounts 2018	101
	(ii) Note 7—Discontinued Operations		102
	(iii) Note 8—Interest income / expense		103
	(iv) Note 11—Trade and other receivables		104
	(v) Note 12—Other long-term receivables and other long-term assets		104
	(vi) Note 18—Credit Facilities		109-110
	(vii) Note 19—Financial Instruments		110-111
Risk Management and Principal Risks and Uncertainties	Principal risks and uncertainties—all text under the headings "*Managing our risks*"	JPJ's Annual Report and Accounts 2018	26-33
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Annual Report and Accounts 2018	92-97
	Note 4—Summary of significant accounting estimates and assumptions	JPJ's Annual Report and Accounts 2018	98

Results of operations for the year ended 31 December 2017 against the year ended 31 December 2016

Topic	Information incorporated by reference into this document	Reference document	Page number in reference document
Key Performance Indicators	All text and tables under the heading "*Group KPIs*" and "*KPIs*"	JPJ's Annual Report and Accounts 2017	13
Financial Performance	(i) All text and tables in the section entitled "*Financial Review*" up to and including the text under the heading "*Dividends*"	JPJ's Annual Report and Accounts 2017	26-33 94-96
	(ii) Note 5—Segment information		
Operating Results	All text under the heading "*Outlook*"	JPJ's Annual Report and Accounts 2017	12, 15, 17, 19
Liquidity and Capital Resources	(i) Note 6—Costs and expenses	JPJ's Annual Report and Accounts 2017	96
	(ii) Note 7—Interest income/expense		97
	(iii) Note 10 —Trade and other receivables	JPJ's Annual Report and Accounts 2017	98
	(iv) Note 11—Other long-term receivables and other long-term assets		99
	(v) Note 17—Credit facilities		104
	(vi) Note 18 – Financial Instruments		105-107
Risk Management and Principal Risks and Uncertainties	Principal risks and uncertainties —all text under the headings "*Managing our risks*"	JPJ's Annual Report and Accounts 2017	20-25
Accounting Policies	Note 3—Summary of significant accounting policies	JPJ's Annual Report and Accounts 2017	87-92
	Note 4—Summary of significant accounting estimates and assumptions	JPJ's Annual Report and Accounts 2017	93

NOTICE OF GENERAL MEETING

JPJ GROUP PLC

(Incorporated under the Companies Act 2006 and registered under the laws of England and Wales with registered no. 10303804)

Notice is hereby given that a General Meeting of the shareholders of JPJ Group plc will be held at The May Fair, Stratton Street, London W1J 8LT at 2 p.m. (London time) on 31 July 2019 for the purpose of considering and, if thought fit, passing the following resolutions, being the JPJ Shareholder Resolutions, which will be proposed as ordinary resolutions.

Capitalised terms used in this Notice of General Meeting and not defined shall have the same meanings as in JPJ's Combined Circular and Prospectus (as defined below).

RESOLUTION 1: ORDINARY RESOLUTION—APPROVAL OF ACQUISITION

1. **THAT**, subject to and conditional upon Resolution 2 being passed by the requisite majority, the Acquisition, substantially on the terms and subject to the conditions set out in the combined circular and prospectus to shareholders of the Company describing the Acquisition and dated 27 June 2019 (the "**Combined Circular and Prospectus**"), be and is hereby approved, including for the purposes of Chapter 10 of the Listing Rules, and the JPJ Directors (or a duly authorised committee thereof) be and are hereby authorised:

   (a) to take or procure to be taken all such steps as they consider necessary, expedient or appropriate in relation to and to implement the Acquisition; and

   (b) to agree such modifications, variations, revisions, waivers or amendments to the terms and conditions of the Acquisition (provided such modifications, variations, revisions, waivers or amendments are not in the opinion of the JPJ Directors, or any such committee, of a material nature) and to any documents relating thereto, as they may in their absolute discretion deem necessary, expedient or appropriate.

RESOLUTION 2: ORDINARY RESOLUTION—AUTHORITY TO ALLOT SHARES

2. **THAT**, subject to and conditional upon Resolution 1 being passed by the requisite majority and without prejudice to all existing authorities conferred on the JPJ Directors, the JPJ Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act and article 68 of the Company's articles of association to exercise all the powers of the Company to allot and issue JPJ Shares up to an aggregate nominal amount of £3,365,384.60, credited as fully paid, which authority shall be in addition to the existing authority conferred on the JPJ Directors at the Company's annual general meeting held on 13 June 2019, which shall continue in full force and effect. The authority conferred by this resolution shall expire on the date falling five years from the date of this resolution (unless previously revoked or varied by the Company in general meeting), save that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the JPJ Directors may allot relevant securities in pursuant of such offer or agreement as if the authority hereby conferred had not expired.

BY ORDER OF THE BOARD
27 June 2019

Registered Office:
35 Great St. Helen's
London EC3A 6AP

Neil Goulden
Executive Chairman

Notes for JPJ Shareholders:

1. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company as at 6 p.m. on 29 July 2019 or, in the event that the meeting is adjourned, in the register of members at 6 p.m. on the date which is 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting.

2. Only holders of shares and their proxies or duly appointed corporate representatives are entitled to attend and vote at the meeting. A member is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote on their behalf at the meeting. A form of proxy which may be used to make such appointment and give proxy instructions is enclosed with this notice. If you think you may not be able to attend the meeting, please complete and return the form of proxy. Please indicate how you wish your vote to be cast by inserting an "X" in the appropriate box. In the event that you wish to appoint a person other than the Chairman as your proxy, insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member of the Company. Instructions for use are shown on the form of proxy. Completion and return of a form of proxy, an electronic proxy or any CREST Proxy Instruction (as described in note 10 below) will not preclude a shareholder from attending the meeting and voting there in person. The Company will not exercise any rights in relation to any shares held by, or on behalf of, the Company.

3. To be effective, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority) must be received by post or (during normal business hours only) by hand at the Company's Registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom. Forms of proxy returned by fax will not be accepted. Alternatively, shareholders may lodge their votes and appoint a proxy electronically by visiting the website www.investorcentre.co.uk/eproxy (the on-screen instructions will detail how to complete the instruction process). You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on your form of proxy and agree to certain terms and conditions. All proxy appointments must be received before 2 p.m. on 29 July 2019 or, if the meeting is adjourned, by not later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting. A form of proxy lodged electronically will be invalid unless it is lodged at the electronic address specified in the form of proxy (www.investorcentre.co.uk/eproxy). Any electronic communication sent by a shareholder to the Company or to the Registrar which is found to contain a computer virus will not be accepted.

4. A holder of shares of the Company entitled to attend and vote at the meeting may appoint more than one proxy. To do so, you should photocopy the form of proxy. You must complete a separate form of proxy for each proxy. Please indicate, next to each proxy holder's name, the number of shares each proxy appointment relates to and how you wish the proxies' votes to be cast. Please also indicate, by marking the box on the proxy, if multiple appointments are being made. A failure to specify the number of shares each proxy appointment relates to, or to specify a number of shares in excess of those held by the member on the date referred to in note 1 above, will result in the proxy appointments being invalid.

5. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a shareholder provided that no more than one corporate representative exercises powers over the same shares.

6. Any person who is not a member of the Company, but has been nominated under section 146 of the Companies Act 2006 by a member of the Company (the "relevant member") to enjoy information rights, (the "nominated person") does not have a right to appoint any proxies under note 2 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he or she may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.

7. The "Vote Withheld" option is provided to enable you to abstain on the specified resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" the specified resolution.

8. As at the Latest Practicable Date, the Company's issued share capital consisted of 74,473,678 ordinary shares carrying one vote each, including zero shares held in treasury. Therefore, the total voting rights in the Company as at the Latest Practicable Date (excluding voting rights attached to shares held by or on behalf of the Company) are 74,473,678.

9. In accordance with Regulation 41 of the Regulations, only those members entered on the relevant register of members of the Company at 6 p.m. on the date 48 hours before the meeting or, in the event that the meeting is adjourned, in the register of members of the Company at 6 p.m. on the date 48 hours before the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after

the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting. Shareholders who hold their shares in the Company through CREST ("CREST members") and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the purpose of this meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST manual (a "**CREST Proxy Instruction**"). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (Issuer's agent ID 3RA50), not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the meeting or any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

13. In the case of joint holders of a share the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

14. Any member attending the meeting has a right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

15. A copy of this notice, and other information required by s.311A of the Companies Act 2006, can be found at www.JPJgroup.com.

16. Voting on the JPJ Shareholder Resolutions at this meeting will be conducted on a poll rather than a show of hands.

17. No electronic address (within the meaning of section 333(4) of the Companies Act) provided in this notice (or in any related documents including the form of proxy) may be used to communicate with the Company for any purpose other than those expressly stated.

18. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any

administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act, writes to you directly for a response.

Notes for Exchangeable Shareholders:

1. Under the Voting and Exchange Trust Agreement between JPJ Group plc, Intertain, JerseyCo and the Trustee, JerseyCo granted an irrevocable power of attorney to the Trustee in respect of the voting rights attaching to the Underlying Shares that were issued to it in connection with the establishment of the structure relating to the Exchangeable Shares and which continue to be held by it from time to time. This power of attorney was renewed in January 2019 in accordance with the Voting and Exchange Trust Agreement. The Exchangeable Shareholders are entitled to instruct the Trustee as to the voting of an aggregate number of Underlying Shares equal to the then outstanding number of Exchangeable Shares held by all exchangeable shareholders (other than CallCo) from time to time, with each such Exchangeable Shareholder being entitled to direct the Trustee as to the exercise of the votes attaching to one Underlying Share (each, a voting right) for each Exchangeable Share held by such Exchangeable Shareholder in the manner described below.

2. Accordingly, Exchangeable Shareholders are receiving this document from the Trustee in connection with the Trustee's obligation under the Voting and Exchange Trust Agreement to deliver copies of shareholder information, including notices of shareholder meetings of the Company, to Exchangeable Shareholders together with certain information relating to how such Exchangeable Shareholders may direct the exercise of the voting rights to which they are entitled. Exchangeable Shareholders will not, however, receive a form of proxy for voting at the JPJ General Meeting, nor are they permitted to attend or vote at the JPJ General Meeting in person unless they comply with the relevant instructions below and on the relevant voting instruction form.

3. However, and as described in more detail below, each Exchangeable Shareholder is being provided with a voting instruction form that permits them to provide instructions to the Trustee with respect to the exercise of the voting rights to which such Exchangeable Shareholder is entitled. Exchangeable Shareholders are cautioned that if an Exchangeable Shareholder does not provide instructions to the Trustee with respect to the exercise of the voting rights to which such Exchangeable Shareholder is entitled by following the instructions provided below and in the relevant voting instruction form (including with respect to the time for providing such voting instructions), the Voting and Exchange Trust Agreement provides that the Trustee shall not be permitted to exercise or permit the exercise of the relevant voting rights.

4. Exchangeable Shareholders should direct any questions regarding the exercise of their right to instruct the Trustee with respect to the exercise of the voting rights as described below to Computershare Trust Company of Canada to the attention of the General Manager at Corporate Trust Department, 11th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, via fax at 416.981.9777 or via email at corporatetrust.toronto@computershare.com or their broker or other intermediary immediately.

Registered Exchangeable Shareholders

5. An Exchangeable Shareholder is a "registered" Exchangeable Shareholder if he, she or it is shown on the record date on the list of Exchangeable Shareholders kept by Computershare Investor Services Inc., as Intertain's registrar and transfer agent for the Exchangeable Shares. Certificates or DRS Advices have been issued to registered Exchangeable Shareholders that indicate such shareholder's name and the number of Exchangeable Shares held by such Exchangeable Shareholders. In addition to this document, registered Exchangeable Shareholders (other than CallCo, an indirect wholly owned subsidiary of the Company) will receive from the Trustee a voting instruction form. This voting instruction form is the document that registered Exchangeable Shareholders may use to direct the Trustee as to how such registered Exchangeable Shareholder wishes the applicable voting rights to be exercised.

6. Registered Exchangeable Shareholders may provide their instructions to the Trustee using any of the methods below. In order to be valid, instructions must be received by the Trustee by no later than the relevant time specified below. As provided in the Voting and Exchange Trust Agreement, in the event that instructions regarding the exercise of voting rights by an Exchangeable Shareholder are not received by the time and date established by the Trustee for the receipt of such instructions, the Trustee shall not be permitted to exercise or permit the exercise of such voting rights.

(a) INTERNET: Go to www.investorvote.com and follow the instructions by 25 July 2019 at 5 p.m. (Eastern time). Registered Exchangeable Shareholders will need to enter the 15-digit control number printed on such holder's voting instruction form.

(b) TELEPHONE: If calling from Canada or the USA, call 1-866-732-VOTE (8683) and if calling from any country, call 1-312-588-4290 and follow the instructions by 25 July 2019 at 5 p.m. (Eastern time). Registered Exchangeable Shareholders will need to enter the 15-digit control number printed on such holder's voting instruction form.

(c) MAIL: Complete, sign and date the voting instruction form and mail or deliver it to: 100 University Ave, Toronto, Ontario, M5J 2Y1 Canada Attn Proxy Dept. or use the envelope as provided. The voting instruction form must be received by the Trustee by no later than 25 July 2019 at 5 p.m. (Eastern time).

Non-registered Exchangeable Shareholders

7. An Exchangeable Shareholder is a "non-registered" Exchangeable Shareholder if the Exchangeable Shares owned by him, her or it are not registered in his, her or its name but are instead registered in the name of a clearing agency, such as CDS & Co., and are held through an intermediary. Most Exchangeable Shareholders are non-registered Exchangeable Shareholders.

8. The Trustee will comply with the requirements of National Instrument 54-101—Communication with Beneficial Owners of Securities to the extent possible with respect to the distribution of copies of this document and the relevant voting instruction form to the clearing agencies and other intermediaries for onward distribution to non-registered Exchangeable Shareholders. Intermediaries are then required to forward the materials to the appropriate non-registered Exchangeable Shareholders. Non-registered Exchangeable Shareholders will be given a voting instruction form which, when properly completed and signed by the non-registered Exchangeable Shareholder and returned in accordance with the instructions below and on the relevant voting instruction form, will constitute instructions which the intermediary must follow with respect to the instructions provided to the Trustee in connection with the exercise of the relevant voting rights. The purpose of the procedure described above is to permit non-registered Exchangeable Shareholders to direct the voting rights to which they are entitled through the Exchangeable Shares that they beneficially own.

9. A non-registered Exchangeable Shareholder's intermediary, as his, her or its nominee, will be the person legally entitled to provide instructions directly or indirectly to the Trustee with respect to the exercise of the relevant voting rights. Without specific instructions from non-registered Exchangeable Shareholders, intermediaries cannot provide instructions directly or indirectly to the Trustee with respect to the exercise of the relevant voting rights.

10. Non-registered Exchangeable Shareholders will have received this document from their intermediary, together with a voting instruction form from Broadridge. Such Exchangeable Shareholders should comply strictly with the instructions that have been given to them by their intermediary. Non-registered Exchangeable Shareholders may provide their instructions using any of the methods below. In order to be valid, such instructions must be provided by no later than the relevant time specified below.

(a) INTERNET: Go to www.proxyvote.com and follow the instructions by 25 July 2019 at 5 p.m. (Eastern time). The 16-digit control number printed on the voting instruction form will need to be entered in order for instructions to be provided.

(b) TELEPHONE: Call the toll-free number on the voting instruction form and follow the instructions by 25 July 2019 at 5 p.m. (Eastern time). The 16-digit control number printed on the voting instruction form will be required in order for instructions to be provided.

(c) MAIL: Enter voting instructions and send a completed, signed and dated voting instruction form by mail to Broadridge in the business reply envelope that accompanied the voting instruction form. The voting instruction form must be received by Broadridge by 25 July 2019 at 5 p.m. (Eastern time).

11. Non-registered Exchangeable Shareholders receiving a voting instruction form from Broadridge cannot use that form to provide instructions directly to the Trustee.

Attending the JPJ General Meeting in person

12. Pursuant to the terms of the Voting and Exchange Trust Agreement, any registered or non-registered Exchangeable Shareholder has the right to attend the JPJ General Meeting as the Trustee's proxy and personally exercise the voting rights to which such Exchangeable Shareholder is entitled at the JPJ General Meeting. Exchangeable Shareholders wishing to attend the JPJ General Meeting and personally exercise such voting rights must strictly follow the instructions provided on the relevant voting instruction form.

Revocation of Instructions

13. A registered Exchangeable Shareholder who has delivered a voting instruction form or who has voted using any of the methods set out in these notes may revoke or amend such voting instructions by: (a) completing and signing a voting instruction form bearing a later date and depositing it with the Trustee as described above in advance of the relevant cut-off date; (b) following the instructions set out in these notes to provide your instructions via www.proxyvote.com in advance of the relevant cut-off date; (c) following the instructions in these notes to provide your instructions via the toll-free number on the voting instruction form in advance of the relevant cut-off date; (d) depositing an instrument in writing executed by the registered Exchangeable Shareholder or by the registered Exchangeable Shareholder's attorney authorised in writing; or (e) in any other manner permitted by law.

14. A non-registered Exchangeable Shareholder may revoke a voting instruction form at any time by written notice to Broadridge within the time periods provided above or on the relevant voting instruction form. Non-registered Exchangeable Shareholders should contact their intermediary with any questions in this regard.

Retraction of Exchangeable Shares following the record date

15. Any Exchangeable Shareholder exercising his, her or its right to retract the exchangeable shares held by such Exchangeable Shareholder following the record date may do so, provided that all entitlements to instruct the Trustee with respect to the exercise of voting rights to which such Exchangeable Shareholder is entitled will cease immediately at the time such Exchangeable Shareholder delivers his, her or its retraction request in accordance with the provisions governing the exchangeable shares. Any Exchangeable Shareholder that desires to exercise his, her or its retraction rights in this manner should contact Computershare for information about how such Exchangeable Shareholder can vote the ordinary shares in JPJ Group plc that will be beneficially owned by such (former) Exchangeable Shareholder from the relevant retraction date.

Other information

16. All Exchangeable Shareholders are encouraged to review the provisions governing the Exchangeable Shares and the Voting and Exchange Trust Agreement, in particular with respect to their rights and obligations with respect to their entitlement to instruct the Trustee with respect to the exercise of voting rights. The summaries of such documents provided in these notes are qualified in their entirety by the full and complete text of such documents, each of which is available under Intertain's profile on SEDAR at www.sedar.com.