JPJ Group plc
(formerly Jackpotjoy plc)
Results for the six months ended 30 June 2018

Total gaming revenue up 10% year-on-year, performance in line with expectations
Shares transferred to a Premium Listing on LSE

LONDON, 14 August 2018 - JPJ Group plc (LSE: JPJ) (the 'Group'), a leading global online bingo-led operator, today announces results for the six months ended 30 June 2018.

Financial summary

	Six months ended 30 June 2018 (£m)	Six months ended 30 June 2017 (£m)	**Reported Change (%)**
Total gaming revenue	**161.1**	146.6	**10**
Net loss (as reported under IFRS)	**(0.4)**	(20.1)	**98**
Adjusted EBITDA[1]	**56.9**	59.2	**(4)**
Adjusted net income[1]	**45.5**	42.6	**7**
Operating cash flows	**49.0**	45.6	**7**
Diluted net loss per share[2]	**£(0.01)**	£(0.27)	**96**
Diluted adjusted net income per share[1,2]	**£0.61**	£0.57	**7**

Financial highlights for first six months

- Good financial performance
    - Total gaming revenue rose 10% year-on-year (12% excluding social)
    - Adjusted EBITDA[1] decreased 4% year-on-year, reflecting the planned increase in marketing costs and the application of point of consumption tax to gross gaming revenue ('POC2') in the UK from Q4 2017
    - Adjusted net income[1] increased 7% year-on-year, principally due to a 37% decrease in interest expense
- Strong ongoing cash generation
    - Operating cash flow of £49.0 million, an increase of 7% year-on-year, and 65p of operating cash flow per share[2]
    - Adjusted EBITDA[1] to cash conversion of 86%; free cash flow[3] of £47.8 million
    - Adjusted net debt[4] of £362.9 million (31 December 2017: £387.3 million) and adjusted net leverage ratio[5] of 3.41x (31 December 2017: 3.57x)
- Final Botemania earn-out payment of £58.5 million and a £5.0 million milestone payment made in June 2018 out of existing cash resources
- Signed a share purchase agreement for the sale of the social business for cash consideration of £18.1 million. Post completion, the Group will be exclusively focussed on its core activity of real money gaming and the disposal will represent another positive step in reducing net leverage

- Performance in line with expectations; outlook for the Group remains positive for the full year

Operational highlights

- Continued improvement in core KPIs[6] year-on-year:
    - Average Active Customers per Month[6] grew to 259,861 in the twelve months to 30 June 2018, an increase of 7% year-on-year
    - Average Real Money Gaming Revenue per Month[6] grew to £25.0 million, an increase of 15% year-on-year
    - Monthly Real Money Gaming Revenue per Average Active Customer[6] of £96, an increase of 8% year-on-year

Business segments highlights for H1 2018

- Jackpotjoy[7] (72% of Group revenue) - Total gaming revenue growth of 2% year-on-year, reflecting strong growth in Botemania and Starspins (25% of segment revenues) and the impact of a reduction in social gaming revenue; Adjusted EBITDA[1] decreased 9% due to the impact of higher distribution costs from the UK TV advertising campaign and the introduction of POC2 on gross gaming revenue in the UK in Q4 2017

- Vera&John (28% of Group revenue) - Total gaming revenue growth of 37% year-on-year, 34% on a constant currency basis; Adjusted EBITDA[1]increased 31% due to strong organic revenue growth[8] partially offset by higher marketing spend and increased gaming tax

Neil Goulden, Executive Chairman, commented:

"The first half of the year has seen a continuation of the strong momentum that JPJ Group plc has reported since listing in the UK in January 2017. Group revenue grew 10% with Average Active Customers per Month[6] also increasing 7%, driven by good growth across our global footprint, in particular in Spain and a number of relatively new markets. As expected, Adjusted EBITDA[1] was down 4% year-on-year, but is expected to return to growth in the second half of the year following the conclusion of the TV advertising campaigns and as we pass the anniversary of the introduction of the POC2 on gross gaming revenue in the UK."

"There were also several significant milestones for the Group during the period. In June, we announced the intention to move to a Premium Listing on the London Stock Exchange ('LSE') which was effective from 26 July 2018. We believe this provides us with an appropriate platform for continued growth, as well as exposure to a wider investor base and enhanced liquidity in our shares. In addition, also in June, we made the final earn-out payment to Gamesys in relation to Botemania, which was comfortably met from existing cash balances, and today we announced that we have signed a share purchase agreement for the sale of the social business enabling us to focus solely on our core activity of real money gaming. Looking ahead, I am confident that the Group's strong cash flow generation provides us with the opportunity to create additional value for shareholders as we continue to deleverage."

Outlook

Profitability in the first six months of the financial year has been as expected and we are comfortable with market expectations for FY 2018. The Group's ongoing strong free cash flow generation is enabling us to rapidly deleverage, with net debt reduction to below 2.5x net debt/EBITDA remaining a key strategic target and the point at which we can consider options to return cash to shareholders. Significant growth opportunities continue to exist in global online gaming markets and we are confident that we are well-placed to take advantage of this backdrop.

Conference call

A conference call for analysts and investors will be held today at 1.00pm BST / 8.00am ET. To participate, interested parties are asked to dial +44 (0) 20 3003 2666 or +1 800 608-0547, or for US shareholders +1 866 966-5335, 10 minutes prior to the scheduled start of the call using the reference "JPJ" when prompted. A replay of the conference call will be available for 30 days by dialling +44 (0) 20 8196 1998 or +1 866 583-1035 and using reference 9762655#. A transcript will also be made available on JPJ Group plc's website at http://www.jpjgroup.com/investors

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EXECUTIVE CHAIRMAN'S REVIEW

Overview and summary of results

JPJ Group plc has had a solid first half in the current financial year, continuing the strong momentum the company has demonstrated since listing on the London Stock Exchange in 2017. During the six-month period, we increased Group total gaming revenue by 10% and grew our customer base by 7%, to 259,861 Average Active Customers per Month[6]. Operating cash flow also remained strong, increasing by 7% year-on-year, and representing an Adjusted EBITDA[1] cash conversion rate of 86%.

The good performance across the Group was driven by strong growth in Botemania in Spain and Starspins in the UK. Vera&John also performed strongly, increasing total gaming revenue by

37%. Total gaming revenue growth in our Jackpotjoy[7] segment did slow in Q2 and partly reflects the impact of lower revenues in social gaming where high CPAs (cost per acquisition) shifted the focus to profitability. The introduction of a range of responsible gambling initiatives in the UK was also a feature of H1 and meant that good growth in actives was to a degree offset by lower UK average revenue per customer[9].

As previously highlighted and expected, Adjusted EBITDA[1] was negatively impacted in the first half of the year by higher distribution costs from the UK and Spanish TV advertising campaigns and the introduction of POC2 on gross gaming revenue in the UK in Q4 2017, resulting in a 4% year-on-year decline.

Significant milestones achieved during the period

There were several significant milestones for the Group during the period. In June we announced the intention to transfer to a Premium Listing on the LSE, providing us with an appropriate platform for continued growth, as well as exposure to a wider investor base and enhanced liquidity in our shares.

Also in June, we paid our final earn-out payment of £58.5 million to the Gamesys group in relation to Botemania, comfortably met from existing cash balances, which now stand at £29.5 million at 30 June 2018. The Group will make two further milestone payments of no more than £10.0 million in aggregate should the Jackpotjoy[7] brands attain certain EBIT targets in the years to March 2019 and March 2020.

Additionally, we were pleased to announce the appointment of Andria Vidler as a non-executive director to the Board at our AGM in June. She will also join the Group's Remuneration Committee. As the chief executive of Centaur Media, a leading business information group, Andria brings a wealth of experience in developing businesses and has a strong track record of creating digital solutions to engage with consumers and drive loyalty.

Outlook for the second half

Looking ahead to the second half of the year, we expect an improvement in Adjusted EBITDA[1] growth year-on-year following the conclusion of the successful TV advertising campaigns and as we pass the anniversary of the introduction of the UK POC2 gross gaming revenue tax. The Group will continue to focus on generating strong cash flow and will use this to deleverage towards and below 2.5x net debt/EBITDA. At this level, our strong cash flow provides us with opportunities to return cash to shareholders.

Conclusion and strategy update

Having delivered consistently strong results since our listing and given continued deleverage of the Group's balance sheet, we intend to announce an update at our 2018 Full Year Results next March that will outline our plans to return cash to shareholders.

As an organisation, we remain committed to delivering a best-in-class customer experience across all verticals that is underpinned by a robust approach to responsible gaming. Additionally, I believe securing a Premium Listing for JPJ Group plc is further proof that we are now a business that operates to the highest standards of corporate governance, and one that is set to continue delivering a fun and safe environment for our customers while generating value for our shareholders.

Neil Goulden
Executive Chairman

Note Regarding Non-IFRS financial measures

The following non-IFRS definitions are used in this release because management believes that they provide additional useful information regarding ongoing operating and financial performance. Readers are cautioned that the definitions are not recognised measures under IFRS, do not have standardised meanings prescribed by IFRS, and should not be considered in isolation or construed to be alternatives to revenues and net income/(loss) and comprehensive income/(loss) for the period determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities. Accordingly, our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

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

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

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

Cautionary Note Regarding Forward-Looking Information

This release contains certain information and statements that may constitute 'forward-looking information' (including future-oriented financial information and financial outlooks) within the meaning of applicable laws, including Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as 'plans', 'expects', 'estimates', 'projects', 'predicts', 'targets', 'seeks', 'intends', 'anticipates', 'believes', or 'is confident of' or the negative of such words or other variations of or synonyms for such words, or state that certain actions, events or results 'may', 'could', 'would', 'should', 'might' or 'will' be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements or developments to be materially different from those anticipated by the Group and expressed or implied by the forward-looking statements. Forward-looking information contained in this release includes, but is not limited to, statements with respect to the Group's future financial performance, the future prospects of the Group's business and operations, the Group's growth opportunities and the execution of its growth strategies, the Group's milestone payment obligations, the future performance of the Jackpotjoy segment, the possibility of the Group drawing on the Revolving Facility, and the statements made under the heading 'Outlook' of this release. Certain of these statements may constitute a financial outlook within the meaning of Canadian securities laws. These statements reflect the Group's current expectations related to future events or its future results, performance, achievements or developments, and future trends affecting the Group. All such *statements, other than statements of historical fact, are forward-looking information. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Group to secure, maintain and comply with all required licences, permits and certifications to carry out business in the jurisdictions in which it currently operates or intends to operate; governmental and regulatory actions, including the introduction of new laws or changes in laws (or the interpretation thereof) related to online gaming; general business, economic and market conditions (including market growth rates and the withdrawal of the UK from the European Union); the Group operating in foreign jurisdictions; the competitive environment; the expected growth of the online gaming market and potential new market opportunities; anticipated and unanticipated costs; the protection of the Group's intellectual property rights; the Group's ability to successfully integrate and realise the benefits of its completed acquisitions, the amount of expected milestone payments required to be made; the Group's continued relationship with the Gamesys group and other third parties; the ability of the Group to service its debt obligations; and the ability of the Group to obtain additional financing, if, as and when required. Such statements could also be materially affected by risks relating to the lack of available and qualified personnel or management; stock market volatility; taxation policies; competition; foreign operations; the Group's limited operating history and the Group's ability to access sufficient capital from internal or external sources. However, whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond the Group's control, and the effects of which can be difficult to predict, including that the assumptions outlined above may not be accurate. For a description of additional risk factors, see Schedule 'A' attached to JPJ Group plc's most recently filed annual information form. Although the Group has attempted to identify important factors that could cause actual results, performance, achievements or developments to differ materially from those described in forward-looking statements, there may be other factors that cause actual results, performance, achievements or developments not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance, achievement or developments are likely to differ, and may differ materially, from those expressed in or implied by the forward-looking information contained in this release. Accordingly, readers should not place undue reliance on forward-looking information. While subsequent events and developments may cause the Group's expectations, estimates and views to change, the Group does not undertake or assume any obligation to update or revise any forward-looking information, except as required by applicable securities laws. The forward-looking information contained in this release should not be relied upon as representing the Group's expectations, estimates and views as of any date subsequent to the date of this release. The forward-looking information contained in this release is expressly qualified by this cautionary statement. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.*

Any future-oriented financial information or financial outlooks in this release are based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Group considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, and interest rates or tax rates.

Financial Review

Total gaming revenue

The Group's total gaming revenue during the three months ended 30 June 2018 consisted of:

- £56.3 million in revenue earned from Jackpotjoy's[7] operational activities.
- £24.2 million in revenue earned from Vera&John's operational activities.

The Group's total gaming revenue during the three months ended 30 June 2017 consisted of:

- £57.8 million in revenue earned from Jackpotjoy's[7] operational activities.
- £17.4 million in revenue earned from Vera&John's operational activities.

The increase in total gaming revenue for the three months ended 30 June 2018 in comparison with the three months ended 30 June 2017 relates primarily to organic growth[8] of the Vera&John segment, where total gaming revenue increased by 39%.

The Group's total gaming revenue during the six months ended 30 June 2018 consisted of:

- £115.8 million in revenue earned from Jackpotjoy's[7] operational activities.
- £45.4 million in revenue earned from Vera&John's operational activities.

The Group's total gaming revenue during the six months ended 30 June 2017 consisted of:

- £113.5 million in revenue earned from Jackpotjoy's[7] operational activities.
- £33.1 million in revenue earned from Vera&John's operational activities.

The increase in total gaming revenue for the six months ended 30 June 2018 in comparison with the six months ended 30 June 2017 relates primarily to organic growth[8] of the Vera&John and Jackpotjoy[7] segments, where total gaming revenue increased by 37% and 2%, respectively.

Costs and expenses

	Three month period ended 30 June 2018 (£000's)	Three month period ended 30 June 2017 (£000's)	**Six month period ended 30 June 2018 (£000's)**	Six month period ended 30 June 2017 (£000's)
Distribution costs	**39,487**	34,302	**80,986**	65,546
Administrative costs	**27,051**	27,664	**54,823**	52,877
Transaction related costs	**1,418**	-	**1,493**	1,315
Severance costs	**-**	-	**450**	-
	67,956	61,966	**137,752**	119,738

Distribution costs

	Three month period ended 30 June 2018 (£000's)	Three month period ended 30 June 2017 (£000's)	**Six month period ended 30 June 2018 (£000's)**	Six month period ended 30 June 2017 (£000's)
Selling and marketing	**13,298**	10,846	**27,848**	20,449
Licensing fees	**11,739**	11,826	**23,483**	22,912
Gaming taxes	**10,056**	8,469	**21,319**	16,461
Processing fees	**4,394**	3,161	**8,336**	5,724
	39,487	34,302	**80,986**	65,546

Selling and marketing expenses consist of payments made to affiliates and general marketing expenses related to each brand. Licensing fees consist of the fees for the Jackpotjoy[7] segment to operate on its platforms and game suppliers' fees paid by both, Vera&John and Jackpotjoy[7] segments. Gaming taxes largely consist of point of consumption taxes ('POC'), payable in the regulated jurisdictions that the Group operates in. Variance in gaming taxes from prior periods relates to a 15% general betting duty on all free or discounted online bets ('POC2'), which came into effect in the UK in Q4 2017. Processing fees consist of costs associated with using payment providers and include payment service provider transaction and handling costs, as well as deposit and withdrawal fees. With the exception of selling and marketing expenses, distribution costs tend to be variable in relation to revenue.

The increase in distribution costs for the three and six months ended 30 June 2018 compared to the same periods in 2017 is mainly due to higher revenues achieved and increased selling and marketing spending in the Jackpotjoy[7] and Vera&John segments.

Administrative costs

	Three month period ended 30 June 2018 (£000's)	Three month period ended 30 June 2017 (£000's)	Six month period ended 30 June 2018 (£000's)	Six month period ended 30 June 2017 (£000's)
Compensation and benefits	**8,108**	8,016	**16,828**	16,091
Professional fees	**811**	797	**2,100**	2,005
General and administrative	**2,497**	2,440	**4,697**	4,621
Amortisation and depreciation	**15,635**	16,411	**31,198**	30,160
	27,051	27,664	**54,823**	52,877

Compensation and benefits costs consist of salaries, wages, bonuses, directors' fees, benefits and share-based compensation expense. The increase in these expenses for the three and six months ended 30 June 2018 compared to the same periods in 2017 is due to additional staff hired in these periods as well as bonus accruals.

Professional fees consist mainly of legal, accounting and audit fees. These costs remained relatively flat in the three and six months ended 30 June 2018 compared to the same periods in 2017.

General and administrative expenses consist of items, such as rent and occupancy, travel and accommodation, insurance, listing fees, technology and development costs, and other office overhead charges. These costs also remained relatively flat in the three and six months ended 30 June 2018 compared to the same periods in 2017.

Amortisation and depreciation consists of amortisation of the Group's intangible assets and depreciation of the Group's tangible assets over their useful lives. The increase in amortisation and depreciation for the six months ended 30 June 2018 is due to the non-compete clauses for which amortisation started in Q2 2017.

Transaction related costs

Transaction related costs consist of legal, professional, due diligence, other direct costs/fees associated with transactions and acquisitions contemplated or completed, costs associated with the Group's Premium Listing, and the refinancing of the Group's external debt. Q1 2017 transaction related costs also included costs associated with the UK strategic review and implementation of UK-centred strategic initiatives, including the listing of the Group on the London Stock Exchange.

Severance costs

Severance costs during the six months ended 30 June 2018 relate to personnel redundancies resulting from internal restructuring.

Business unit results

Jackpotjoy[7]

	Q2 2018 £(millions)	Q2 2017 £(millions)	Variance £(millions)	Variance %
Gaming revenue	**53.6**	53.9	(0.3)	(1%)
Social gaming revenue	**2.7**	3.9	(1.2)	(31%)
Total gaming revenue	**56.3**	57.8	(1.5)	(3%)
Distribution costs	**27.7**	26.1	1.6	6%
Administrative costs	**4.9**	4.4	0.5	11%
Adjusted EBITDA[1]	**23.7**	27.3	(3.6)	(13%)

	YTD 2018 £(millions)	YTD 2017 £(millions)	Variance £(millions)	Variance %
Gaming revenue	**110.1**	105.1	5.0	5%
Social gaming revenue	**5.7**	8.4	(2.7)	(32%)

Total gaming revenue	**115.8**	113.5	2.3	2%
Distribution costs	**56.5**	49.6	6.9	14%
Administrative costs	**9.5**	8.9	0.6	7%
Adjusted EBITDA[1]	**49.8**	55.0	(5.2)	(9%)

Total gaming revenue for the Jackpotjoy[7] segment for the three months ended 30 June 2018 was 3% lower than in the same period in 2017 due to declines in the Mandalay and social gaming brands. Collectively they accounted for 10% of this segment's revenue. These decreases were partially offset by increases in Starspins and Botemania brands, which accounted for 25% of this segment's revenue.

Total gaming revenue for the six months ended 30 June 2018 was 2% higher than in the same period in 2017 due to organic growth[8] led by increases in the Starspins and Botemania brands. Collectively, they accounted for 25% of this segment's revenue.

The increase in distribution costs for the three and six months ended 30 June 2018 is driven by costs from the segment's TV marketing campaigns, as well as an incremental gaming tax expense, which relates to tax on bonuses through UK POC2 tax introduced in Q4 2017.

Vera&John

	Q2 2018 £(millions)	Q2 2017 £(millions)	Variance £(millions)	Variance %
Total gaming revenue	**24.2**	17.4	6.8	39%
Distribution costs	**11.8**	8.3	3.5	42%
Administrative costs	**4.0**	4.0	-	-
Adjusted EBITDA[1]	**8.4**	5.1	3.3	65%

	YTD 2018 £(millions)	YTD 2017 £(millions)	Variance £(millions)	Variance %
Total gaming revenue	**45.4**	33.1	12.3	37%
Distribution costs	**24.5**	15.9	8.6	54%
Administrative costs	**8.5**	7.7	0.8	10%
Adjusted EBITDA[1]	**12.4**	9.5	2.9	31%

Total gaming revenue for the Vera&John segment for the three and six months ended 30 June 2018 increased by 39% and 37%, respectively, compared to the same periods in 2017 due to a combination of organic growth[8] and period-over-period GBP to EUR exchange rate movement. On a constant currency basis, revenue increased by 36% and 34% in the three and six months ended 30 June 2018 compared to the same periods in 2017. Constant currency amounts are calculated by applying the same EUR to GBP average exchange rates to both current and prior year comparative periods.

Distribution costs increased by 42% and 54%, respectively, for the three and six months ended 30 June 2018 compared to the same periods in 2017 as a result of higher marketing spending in the current period. The increase was further driven by higher gaming tax due to increased revenue in regulated jurisdictions compared to the prior period.

The increase in administrative costs for the six months ended 30 June 2018 compared to the same period in 2017 was mainly driven by increases in personnel costs as the segment continues to grow.

Unallocated Corporate Costs

Adjusted EBITDA[1] on Unallocated Corporate Costs increased from (£2.5) million to (£2.3) million in the three months ended 30 June 2018 as compared to the three months ended 30 June 2017. The variance mainly relates to a £0.1 million decrease in general and administrative overhead costs and a £0.1 million decrease in professional fees.

Adjusted EBITDA[1] on Unallocated Corporate Costs was flat for the six months ended 30 June 2018 compared to the six months ended 30 June 2017.

Net loss on Unallocated Corporate costs decreased from £20.5 million to £9.3 million in the three months ended 30 June 2018 as compared to the three months ended 30 June 2017. This decrease is primarily related to lower interest expense incurred as a result of the debt refinance that took place in Q4 2017. The decrease in net loss can further be attributed to the fact that there were no fair value adjustments on contingent consideration in the current period as the earn-out period ended in Q1 2018.

Net loss on Unallocated Corporate Costs decreased from £55.2 million to £30.5 million in the six months ended 30 June 2018 as compared to the six months ended 30 June 2017. This decrease is primarily related to lower interest expense incurred as a result of the debt refinance that took place in Q4 2017. The decrease in net loss can further be attributed to the fact that there were no fair value adjustments on contingent consideration in Q2 2018 as the earn-out period ended in Q1 2018.

Costs included in net loss which are excluded from the Adjusted EBITDA[1] measure are discussed on page 6 of this release.

Key performance indicators

Average Active Customers is a key performance indicator used by management to assess real money customer acquisition and real money customer retention efforts of each of the Group's brands. The Group defines Average Active Customers ('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 twelve-month period. While this measure is not recognised by IFRS, management believes that it is a meaningful indicator of the Group's ability to acquire and retain customers.

Total Real Money Gaming Revenue and **Average Real Money Gaming Revenue per Month** are key performance indicators used by management to assess revenue earned from real money gaming operations of the business. The Group defines Total Real Money Gaming Revenue ('Total Real Money Gaming Revenue') as revenue less revenue earned from affiliate websites and social gaming. The Group defines Average Real Money Gaming Revenue per Month ('Average Real Money Gaming Revenue per Month') as Real Money Gaming Revenue per month, averaged over a twelve-month period. While these measures are not recognised by IFRS, management believes that they are meaningful indicators of the Group's real money gaming operational results.

Monthly Real Money Gaming Revenue per Average Active Customer is a key performance indicator used by management to assess the Group's ability to generate Real Money Gaming Revenue on a per customer basis. The Group defines Monthly Real Money Gaming Revenue per Average Active Customer ('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, management believes that it is a meaningful indicator of the Group's ability to generate Total Real Money Gaming Revenue.

	Twelve months ended 30 June 2018	Twelve months ended 30 June 2017	Variance	Variance %
Average Active Customers per Month (#)	**259,861**	243,896	15,965	7%
Total Real Money Gaming Revenue (£000's) [(1)]	**299,779**	261,707	38,072	15%
Average Real Money Gaming Revenue per Month (£000's)	**24,982**	21,809	3,173	15%
Monthly Real Money Gaming Revenue per Average Active Customer (£)	**96**	89	7	8%

[(1)]Total Real Money Gaming Revenue for the twelve months ended 30 June 2018 consists of total revenue less revenue earned from affiliate websites and social gaming revenue of £19.4 million (30 June 2017 - £24.2 million).

Monthly Real Money Gaming Revenue per Average Active Customer[6] increased by 8% year-over-year which is in line with the Group's overall customer acquisition and retention strategy.

Principal risks and uncertainties

Details of the Group's principal risks were set out on pages 20 to 25 of the Annual Report for the year ended 31 December 2017 (the '2017 Annual Report'). As at 30 June 2018, the directors have reviewed the Group's risk profile in the context of current market conditions and the outlook for the remaining six months of the financial year. In addition, they have reconsidered previous statements made on risk appetite, risk governance and internal controls and do not consider there to be any significant changes since the 2017 Annual Report.

Directors' responsibility statement in respect of the half yearly financial report

For the six months ended 30 June 2018

We confirm to the best of our knowledge that:

a) The condensed interim set of financial statements has been prepared in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union;

b) The Interim Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The Interim Report includes a fair review of the information required by DTR 4.2.8 R (disclosure of related parties' transactions and changes therein).

Signed by order of the Board of Directors

Neil Goulden
Executive Chairman
14 August 2018

Independent review report to JPJ Group plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the three and six months ended 30 June 2018 which comprises the Interim Condensed Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Balance Sheet, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and the related notes.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim financial report for the three and six months ended 30 June 2018 is the responsibility of and has been approved by the directors. With regard to the six months ended 30 June 2018, the directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as issued by the International Accounting Standards Board and International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement, and, with regard to the six months ended 30 June 2018, to assist the company in meeting its responsibilities in respect of interim financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' as issued by the International Auditing and Assurance Standards Board and International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing or International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the three and six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as issued by the International Accounting Standards Board, International Accounting Standard 34, as adopted by the European Union, and, in respect of the six months ended 30 June 2018, the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO LLP

Chartered Accountants

London

14 August 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended 30 June 2018	Three months ended 30 June 2017	**Six months ended 30 June 2018**	Six months ended 30 June 2017
	(£000's)	(£000's)	**(£000's)**	(£000's)
Gaming revenue[4]	**77,728**	71,316	**155,443**	138,205
Social gaming revenue[4]	**2,738**	3,877	**5,695**	8,364
Total gaming revenue	**80,466**	75,193	**161,138**	146,569
Costs and expenses				
Distribution costs[4,5]	**39,487**	34,302	**80,986**	65,546
Administrative costs[5]	**27,051**	27,664	**54,823**	52,877
Severance costs[4]	**-**	-	**450**	-
Transaction related costs[4]	**1,418**	-	**1,493**	1,315
Foreign exchange (gain)/loss[4]	**(285)**	4,766	**125**	6,899
Total costs and expenses	**67,671**	66,732	**137,877**	126,637
Gain on sale of intangible assets	**-**	-	-	(1,002)
Fair value adjustments on contingent consideration[15]	**-**	1,845	**11,450**	14,701
Realised loss on cross currency swap	**-**	-	**-**	3,534
Interest income[6]	**(85)**	(57)	**(170)**	(95)
Interest expense[6]	**4,950**	7,720	**9,889**	15,667
Accretion on financial liabilities[6]	**489**	3,662	**2,026**	7,051

Financing expenses	**5,354**	13,170	**23,195**	40,858
Net income/(loss) for the period before taxes	**7,441**	(4,709)	**66**	(19,924)
Current tax provision	**228**	168	**699**	359
Deferred tax recovery	**(98)**	(105)	**(197)**	(210)
Net income/(loss) for the period attributable to owners of the parent	**7,311**	(4,772)	**(436)**	(20,073)
Other comprehensive income/(loss): Items that will or may be reclassified to profit or loss in subsequent periods				
Foreign currency translation gain	**1,081**	13,088	**198**	18,643
Unrealised loss on cross currency hedge	**-**	(4,032)	**-**	(4,845)
Unrealised loss on interest rate hedge[10]	**(559)**	-	**(974)**	-
Total comprehensive income/(loss) for the period attributable to owners of the parent	**7,833**	4,284	**(1,212)**	(6,275)
Net income/(loss) for the period per share				
Basic[7]	**£0.10**	£(0.06)	**£(0.01)**	£(0.27)
Diluted[7]	**£0.10**	£(0.06)	**£(0.01)**	£(0.27)

See accompanying notes

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	**As at 30 June 2018 (£000's)**	As at 31 December 2017 (£000's)
Current assets		
Cash[15]	**29,462**	59,033
Restricted cash[15]	**195**	208
Customer deposits[15]	**8,677**	8,180
Trade and other receivables[8]	**16,100**	19,379
Taxes receivable	**6,719**	6,432
Total current assets	**61,153**	93,232
Tangible assets	**1,243**	1,339
Intangible assets[11]	**263,737**	292,223
Goodwill[11]	**296,976**	296,781
Other long-term receivables[9,15]	**5,078**	5,604
Total non-current assets	**567,034**	595,947
Total assets	**628,187**	689,179

LIABILITIES AND EQUITY

Current liabilities		
Accounts payable and accrued liabilities[12]	**14,646**	17,821
Other short-term payables[10,13,15]	**10,048**	12,151
Interest payable[15]	**675**	924
Payable to customers[15]	**8,677**	8,180
Convertible debentures[17]	**-**	254

Current portion of contingent consideration[15]	**4,463**	51,866
Provision for taxes	**5,390**	7,273
Total current liabilities	**43,899**	98,469
Contingent consideration[15]	**4,170**	7,717
Other long-term payables[10,15,16]	**5,482**	8,245
Deferred tax liability	**1,361**	1,204
Long-term debt[14,15]	**369,519**	369,487
Total non-current liabilities	**380,532**	386,653
Total liabilities	**424,431**	485,122
Equity		
Share capital[17]	**7,427**	7,407
Share premium and other reserves	**196,329**	196,650
Total equity	**203,756**	204,057
Total liabilities and equity	**628,187**	689,179

See accompanying notes

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital (£000's)	Share Premium (£000's)	Merger Reserve (£000's)	Redeemable Shares (£000's)	Share-Based Payment Reserve (£000's)	Translation Reserve (£000's)	Hedge Reserve (£000's)	(Deficit)/ Retained Earnings (£000's)	Total (£000's)
Balance at 1 January 2017	**7,298**	**403,883**	**(6,111)**	**50**	**8,667**	**(3,958)**	**-**	**(170,361)**	**239,468**
Comprehensive income/(loss) for the period:									
Net loss for the period	-	-	-	-	-	-	-	(20,073)	(20,073)
Other comprehensive income/(loss)	-	-	-	-	-	18,643	(4,845)	-	13,798
Total comprehensive income/(loss) for the period:	-	-	-	-	-	**18,643**	**(4,845)**	**(20,073)**	**(6,275)**
Contributions by and distributions to shareholders:									
Conversion of debentures	75	2,263	-	-	-	-	-	-	2,338
Exercise of options	15	462	-	-	(105)	-	-	-	372
Cancellation of redeemable shares	-	-	-	(50)	-	-	-	-	(50)
Cancellation of share premium[2]	-	(405,932)	-	-	-	-	-	405,932	-
Share-based compensation	-	-	-	-	878	-	-	-	878

Total contributions by and distributions to shareholders:	**90**	**(403,207)**	**-**	**(50)**	**773**	**-**	**-**	**405,932**	**3,538**
Balance at 30 June 2017	**7,388**	**676**	**(6,111)**	**-**	**9,440**	**14,685**	**(4,845)**	**215,498**	**236,731**
Balance at 1 January 2018	**7,407**	**1,342**	**(6,111)**	**-**	**9,971**	**23,649**	**-**	**167,799**	**204,057**
Comprehensive income/(loss) for the period:									
Net loss for the period	-	-	-	-	-	-	-	(436)	(436)
Other comprehensive income/(loss)	-	-	-	-	-	198	(974)	-	(776)
Total comprehensive income/(loss) for the period:	**-**	**-**	**-**	**-**	**-**	**198**	**(974)**	**(436)**	**(1,212)**
Contributions by and distributions to shareholders:									
Conversion of debentures[17]	6	186	-	-	-	-	-	-	192
Exercise of options[17]	14	379	-	-	(110)	-	-	110	393
Share-based compensation[17]	-	-	-	-	326	-	-	-	326
Total contributions by and distributions to shareholders:	**20**	**565**	**-**	**-**	**216**	**-**	**-**	**110**	**911**
Balance at 30 June 2018	**7,427**	**1,907**	**(6,111)**	**-**	**10,187**	**23,847**	**(974)**	**167,473**	**203,756**

See accompanying notes

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended 30 June 2018 (£000's)	Three months ended 30 June 2017 (£000's)	**Six months ended 30 June 2018 (£000's)**	Six months ended 30 June 2017 (£000's)
Operating activities				
Net income/(loss) for the period	**7,311**	(4,772)	**(436)**	(20,073)
Add (deduct) items not involving cash				
Amortisation and depreciation	**15,635**	16,411	**31,198**	30,160
Share-based compensation expense[17]	**170**	353	**326**	878
Current tax provision	**228**	168	**699**	359
Deferred tax recovery	**(98)**	(105)	**(197)**	(210)
Interest expense, net[6]	**5,354**	11,325	**11,745**	22,623
Gain on sale of intangible assets	**-**	-	**-**	(1,002)
Fair value adjustments on contingent consideration[15]	**-**	1,845	**11,450**	14,701
Realised loss on cross currency swap	**-**	-	**-**	3,534
Foreign exchange (gain)/loss	**(285)**	4,766	**125**	6,899
	28,315	29,991	**54,910**	57,869
Trade and other receivables	**2,061**	(1,012)	**1,821**	(525)
Other long-term receivables	**328**	468	**508**	452
Accounts payable and accrued liabilities	**(2,697)**	(415)	**(3,322)**	(1,844)
Other short-term payables	**(620)**	130	**(2,103)**	(3,542)
Cash generated from operations	**27,387**	29,162	**51,814**	52,410
Income taxes paid	**(3,236)**	(6,871)	**(3,326)**	(6,899)
Incomes taxes received	**402**	-	**402**	102
Total cash provided by operating activities	**24,553**	22,291	**48,980**	45,613
Financing activities				
Restriction of cash balances	**-**	154	**(75)**	175
Proceeds from exercise of options	**-**	109	**393**	372
Proceeds from cross currency swap settlement	**-**	-	**-**	34,373
Debenture settlement[17]	**(62)**	-	**(62)**	-
Repayment of non-compete liability[16]	**(2,000)**	(1,333)	**(4,000)**	(1,333)
Interest repayment	**(5,328)**	(7,659)	**(10,254)**	(15,209)
Payment of contingent consideration[15]	**(63,455)**	(94,218)	**(63,455)**	(94,218)
Principal payments made on long-term debt[14]	**-**	(6,510)	**-**	(12,806)
Total cash used in financing activities	**(70,845)**	(109,457)	**(77,453)**	(88,646)
Investing activities				
Purchase of tangible assets	**(89)**	(252)	**(163)**	(763)
Purchase of intangible assets	**(1,370)**	(713)	**(2,457)**	(1,262)
Proceeds from sale of intangible assets	**-**	-	**1,450**	1,002
Total cash used in investing activities	**(1,459)**	(965)	**(1,170)**	(1,023)
Net decrease in cash during the period	**(47,751)**	(88,131)	**(29,643)**	(44,056)
Cash, beginning of period	**76,231**	112,297	**59,033**	68,485

Exchange gain/(loss) on cash and cash equivalents	**982**	(203)	**72**	(466)
Cash, end of period	**29,462**	23,963	**29,462**	23,963

See accompanying notes

SUPPLEMENTARY NOTES FOR THREE AND SIX MONTHS ENDED 30 JUNE 2018

1. Corporate information

JPJ Group plc, formerly Jackpotjoy plc, is an online gaming holding company that was incorporated under the *Companies Act 2006* (England and Wales) on 29 July 2016. On 27 June 2018, Jackpotjoy plc changed its name to JPJ Group plc. JPJ Group plc's registered office is located at 35 Great St. Helen's, London, United Kingdom. Unless the context requires otherwise, use of 'Group' in these accompanying notes means JPJ Group plc and its subsidiaries, as applicable.

The Group currently offers bingo, casino and other games to its customers using the Jackpotjoy, Starspins, Botemania, Vera&John, Costa Bingo, InterCasino, and other brands. The Jackpotjoy, Starspins, and Botemania brands operate off proprietary software owned by the Gamesys group, the Group's principal B2B software and support provider. The Vera&John and InterCasino brands operate off proprietary software owned by the Group. The Costa Bingo and related brands operate off the Dragonfish platform, a software service provided by the 888 group.

These Unaudited Interim Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors of JPJ Group plc on 14 August 2018.

2. Basis of preparation

Basis of presentation

These Unaudited Interim Condensed Consolidated Financial Statements have been prepared by management on a going concern basis, are presented in compliance with International Accounting Standard ('IAS') 34 - *Interim Financial Reporting*, and have been prepared on a basis consistent with the accounting policies and methods used and disclosed in JPJ Group plc's consolidated financial statements for the year ended 31 December 2017 (the 'Annual Financial Statements'), except as described below. Certain information and disclosures normally included in the Annual Financial Statements prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, and in accordance with IFRS as issued by the International Accounting Standards Board, have been omitted or condensed.

These Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statements. All defined terms used herein are consistent with those terms as defined in the Annual Financial Statements.

These Unaudited Interim Condensed Consolidated Financial Statements have been prepared under the historical cost convention, other than for the measurement at fair value of the Group's Interest Rate Swap (as defined in note 10), contingent consideration, certain hedged loan instruments, and loan receivable.

On 1 February 2017, having been approved in the High Court, the Group's share premium was cancelled. Accordingly, the balance has been reallocated within equity reserves to the Group's retained earnings account. This is now shown in the Unaudited Interim Condensed Consolidated Statements of Changes in Equity as an adjustment to the balances on the Group's equity reserves at 30 June 2017. There is no impact on the income statement, earnings per share or total equity.

The comparative financial information for the year ended 31 December 2017 in these Unaudited Interim Condensed Consolidated Financial Statements does not constitute statutory accounts for that year. The auditors' report on the statutory accounts for the year ended 31 December 2017 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the *Companies Act 2006*.

Basis of consolidation

JPJ Group plc's Unaudited Interim Condensed Consolidated Financial Statements consolidate the parent company and all of its subsidiaries. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between companies are eliminated on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which JPJ Group plc obtains control, and continue to be consolidated until the date that such control ceases.

Intercompany transactions, balances, income and expenses on transactions between JPJ Group plc's subsidiaries are eliminated. Profit and losses resulting from intercompany transactions that are recognised in assets are also eliminated.

3. Summary of significant accounting policies

For a description of the Group's significant accounting policies, critical accounting estimates and assumptions, and related information see note 3 to the Annual Financial Statements. Other than as described below, there have been no changes to the Group's significant accounting policies or critical accounting estimates and assumptions during the six months ended 30 June 2018.

Financial instruments

Effective from 1 January 2018, the Group adopted IFRS 9 - *Financial Instruments: Recognition and Measurement* ('IFRS 9') to account for the Gaming Realms Transaction (as defined in note 9). As a result, the Group no longer separates the embedded derivative from its host contract and the entire asset is measured at fair value through profit or loss. The adoption of IFRS 9 resulted in balances shown as other long-term receivables and other long-term assets at 31 December 2017 being combined into a single figure and shown as other long-term receivables at 30 June 2018.

Hedge accounting

The Group elected to use hedge accounting for the purposes of recognising realised and unrealised gains and losses associated with the Interest Rate Swap, in accordance with guidance provided in IFRS 9.

IFRS 9 permits hedge accounting under certain circumstances provided that the hedging relationship is:

- formally designated and documented, including the entity's risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness;
- expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk as designated and documented, and effectiveness can be reliably measured; and
- assessed on an ongoing basis and determined to have been highly effective.

Based on the Group's analysis of the requirements outlined above, it was concluded that the Interest Rate Swap meets all the necessary criteria and qualifies for use of hedge accounting. The Interest Rate Swap was designated as a cash flow hedge.

Impairment policy

In accordance with IFRS 9, the Group reviewed its impairment policy and concluded that no impairment provision on its financial instruments, as discussed in note 15, is required. The Group uses the credit loss model to assess impairment.

Revenue recognition

Effective from 1 January 2018, the Group adopted IFRS 15 - *Revenue from Contracts with Customers* ('IFRS 15'), which replaces IAS 18 - *Revenue.* Applying this standard did not impact the Group's financial information as the Group's policy was already in compliance with the key principles outlined in IFRS 15.

4. Segment information

In March 2018, the Group determined that its reportable operating segments had changed such that the Mandalay segment was aggregated with the Jackpotjoy segment with effect from 1 January 2018, as Mandalay no longer met the criteria for a reportable operating segment, set out in IFRS 8 - *Operating Segments.* Mandalay was therefore aggregated with the Jackpotjoy segment consistent with the Group's other third-party platform hosted operations and all 2017 comparative segment figures have been restated accordingly.

The following tables present selected financial results for each segment and the Unallocated Corporate Costs:

Three months ended 30 June 2018:

	Jackpotjoy (£000's)	**Vera&John (£000's)**	**Unallocated Corporate Costs (£000's)**	**Total (£000's)**
Gaming revenue	53,549	24,179	-	77,728
Social gaming revenue	2,738	-	-	2,738
Total gaming revenue	**56,287**	**24,179**	**-**	**80,466**
Distribution costs	27,701	11,763	23	39,487
Amortisation and depreciation	13,074	2,464	97	15,635
Compensation, professional, and general and administrative expenses	4,909	4,041	2,466	11,416
Transaction related costs	-	-	1,418	1,418
Foreign exchange loss/(gain)	11	(180)	(116)	(285)
Financing, net	1	(30)	5,383	5,354
Income/(loss) for the period before taxes	**10,591**	**6,121**	**(9,271)**	**7,441**
Taxes	-	130	-	130
Net income/(loss) for the period	**10,591**	**5,991**	**(9,271)**	**7,311**
Net income/(loss) for the period	**10,591**	**5,991**	**(9,271)**	**7,311**
Interest expense/(income), net	1	(30)	4,894	4,865

Accretion on financial liabilities	-	-	489	489
Taxes	-	130	-	130
Amortisation and depreciation	13,074	2,464	97	15,635
EBITDA	**23,666**	**8,555**	**(3,791)**	**28,430**
Share-based compensation	-	-	170	170
Transaction related costs	-	-	1,418	1,418
Foreign exchange loss/(gain)	11	(180)	(116)	(285)
Adjusted EBITDA	**23,677**	**8,375**	**(2,319)**	**29,733**
Net income/(loss) for the period	**10,591**	**5,991**	**(9,271)**	**7,311**
Share-based compensation	-	-	170	170
Transaction related costs	-	-	1,418	1,418
Foreign exchange loss/(gain)	11	(180)	(116)	(285)
Amortisation of acquisition related purchase price intangibles	13,057	1,967	-	15,024
Accretion on financial liabilities	-	-	489	489
Adjusted net income/(loss)	**23,659**	**7,778**	**(7,310)**	**24,127**

Six months ended 30 June 2018:

	Jackpotjoy (£000's)	**Vera&John (£000's)**	**Unallocated Corporate Costs (£000's)**	**Total (£000's)**
Gaming revenue	110,093	45,350	-	155,443
Social gaming revenue	5,695	-	-	5,695
Total gaming revenue	**115,788**	**45,350**	**-**	**161,138**
Distribution costs	56,511	24,450	25	80,986
Amortisation and depreciation	26,147	4,862	189	31,198
Compensation, professional, and general and administrative expenses	9,488	8,549	5,588	23,625
Severance costs	-	450	-	450
Transaction related costs	-	-	1,493	1,493
Foreign exchange loss/(gain)	213	(70)	(18)	125
Financing, net	3	(66)	23,258	23,195
Income/(loss) for the period before taxes	**23,426**	**7,175**	**(30,535)**	**66**
Taxes	-	488	14	502
Net income/(loss) for the period	**23,426**	**6,687**	**(30,549)**	**(436)**
Net income/(loss) for the period	**23,426**	**6,687**	**(30,549)**	**(436)**
Interest expense/(income), net	3	(66)	9,782	9,719
Accretion on financial liabilities	-	-	2,026	2,026
Taxes	-	488	14	502
Amortisation and depreciation	26,147	4,862	189	31,198
EBITDA	**49,576**	**11,971**	**(18,538)**	**43,009**
Share-based compensation	-	-	326	326
Severance costs	-	450	-	450
Fair value adjustments on contingent consideration	-	-	11,450	11,450

Transaction related costs	-	-	1,493	1,493
Foreign exchange loss/(gain)	213	(70)	(18)	125
Adjusted EBITDA	**49,789**	**12,351**	**(5,287)**	**56,853**
Net income/(loss) for the period	**23,426**	**6,687**	**(30,549)**	**(436)**
Share-based compensation	-	-	326	326
Severance costs	-	450	-	450
Fair value adjustments on contingent consideration	-	-	11,450	11,450
Transaction related costs	-	-	1,493	1,493
Foreign exchange loss/(gain)	213	(70)	(18)	125
Amortisation of acquisition related purchase price intangibles	26,114	3,945	-	30,059
Accretion on financial liabilities	-	-	2,026	2,026
Adjusted net income/(loss)	**49,753**	**11,012**	**(15,272)**	**45,493**

Three months ended 30 June 2017:

	Jackpotjoy (£000's)	Vera&John (£000's)	Unallocated Corporate Costs (£000's)	Total (£000's)
Gaming revenue	53,904	17,412	-	71,316
Social gaming revenue	3,877	-	-	3,877
Total gaming revenue	**57,781**	**17,412**	**-**	**75,193**
Distribution costs	26,008	8,278	16	34,302
Amortisation and depreciation	13,852	2,465	94	16,411
Compensation, professional, and general and administrative expenses	4,430	4,024	2,799	11,253
Foreign exchange (gain)/loss	(67)	419	4,414	4,766
Financing, net	1	(53)	13,222	13,170
Income/(loss) for the period before taxes	**13,557**	**2,279**	**(20,545)**	**(4,709)**
Taxes	-	63	-	63
Net income/(loss) for the period	**13,557**	**2,216**	**(20,545)**	**(4,772)**
Net income/(loss) for the period	**13,557**	**2,216**	**(20,545)**	**(4,772)**
Interest expense/(income), net	1	(53)	7,715	7,663
Accretion on financial liabilities	-	-	3,662	3,662
Taxes	-	63	-	63
Amortisation and depreciation	13,852	2,465	94	16,411
EBITDA	**27,410**	**4,691**	**(9,074)**	**23,027**
Share-based compensation	-	-	353	353
Fair value adjustments on contingent consideration	-	-	1,845	1,845
Foreign exchange (gain)/loss	(67)	419	4,414	4,766
Adjusted EBITDA	**27,343**	**5,110**	**(2,462)**	**29,991**
Net income/(loss) for the period	**13,557**	**2,216**	**(20,545)**	**(4,772)**
Share-based compensation	-	-	353	353
Fair value adjustments on contingent consideration	-	-	1,845	1,845

Foreign exchange (gain)/loss	(67)	419	4,414	4,766
Amortisation of acquisition related purchase price intangibles	13,837	2,105	-	15,942
Accretion on financial liabilities	-	-	3,662	3,662
Adjusted net income/(loss)	**27,327**	**4,740**	**(10,271)**	**21,796**

Six months ended 30 June 2017:

	Jackpotjoy (£000's)	Vera&John (£000's)	Unallocated Corporate Costs (£000's)	Total (£000's)
Gaming revenue	105,102	33,103	-	138,205
Social gaming revenue	8,364	-	-	8,364
Total gaming revenue	**113,466**	**33,103**	-	**146,569**
Distribution costs	49,562	15,926	58	65,546
Amortisation and depreciation	25,135	4,833	192	30,160
Compensation, professional, and general and administrative expenses	8,876	7,684	6,157	22,717
Transaction related costs	-	-	1,315	1,315
Foreign exchange (gain)/loss	(87)	478	6,508	6,899
Gain on sale of intangible assets	-	(1,002)	-	(1,002)
Financing, net	2	(87)	40,943	40,858
Income/(loss) for the period before taxes	**29,978**	**5,271**	**(55,173)**	**(19,924)**
Taxes	-	149	-	149
Net income/(loss) for the period	**29,978**	**5,122**	**(55,173)**	**(20,073)**
Net income/(loss) for the period	**29,978**	**5,122**	**(55,173)**	**(20,073)**
Interest expense/(income), net	2	(87)	15,657	15,572
Accretion on financial liabilities	-	-	7,051	7,051
Taxes	-	149	-	149
Amortisation and depreciation	25,135	4,833	192	30,160
EBITDA	**55,115**	**10,017**	**(32,273)**	**32,859**
Share-based compensation	-	-	878	878
Fair value adjustments on contingent consideration	-	-	14,701	14,701
Realised loss on cross currency swap	-	-	3,534	3,534
Transaction related costs	-	-	1,315	1,315
Gain on sale of intangible assets	-	(1,002)	-	(1,002)
Foreign exchange (gain)/loss	(87)	478	6,508	6,899
Adjusted EBITDA	**55,028**	**9,493**	**(5,337)**	**59,184**
Net income/(loss) for the period	**29,978**	**5,122**	**(55,173)**	**(20,073)**
Share-based compensation	-	-	878	878
Fair value adjustments on contingent consideration	-	-	14,701	14,701
Realised loss on cross currency swap	-	-	3,534	3,534
Transaction related costs	-	-	1,315	1,315
Gain on sale of intangible assets	-	(1,002)	-	(1,002)
Foreign exchange (gain)/loss	(87)	478	6,508	6,899
Amortisation of acquisition related purchase price intangibles	25,120	4,212	-	29,332
Accretion on financial liabilities	-	-	7,051	7,051

Adjusted net income/(loss)	**55,011**	**8,810**	**(21,186)**	**42,635**

The following table presents net assets per segment and Unallocated Corporate Costs as at 30 June 2018:

	Jackpotjoy (£000's)	Vera&John (£000's)	Unallocated Corporate Costs (£000's)	Total (£000's)
Current assets	16,796	29,981	14,376	61,153
Goodwill	240,960	56,016	-	296,976
Other non-current assets	228,666	29,130	12,262	270,058
Total assets	**486,422**	**115,127**	**26,638**	**628,187**
Current liabilities	9,806	17,098	16,995	43,899
Non-current liabilities	-	1,361	379,171	380,532
Total liabilities	**9,806**	**18,459**	**396,166**	**424,431**
Net assets	**476,616**	**96,668**	**(369,528)**	**203,756**

The following table presents net assets per segment and Unallocated Corporate Costs as at 31 December 2017:

	Jackpotjoy (£000's)	Vera&John (£000's)	Unallocated Corporate Costs (£000's)	Total (£000's)
Current assets	20,960	41,970	30,302	93,232
Goodwill	240,960	55,821	-	296,781
Other non-current assets	249,703	31,878	17,585	299,166
Total assets	**511,623**	**129,669**	**47,887**	**689,179**
Current liabilities	10,958	19,877	67,634	98,469
Non-current liabilities	-	1,204	385,449	386,653
Total liabilities	**10,958**	**21,081**	**453,083**	**485,122**
Net assets	**500,665**	**108,588**	**(405,196)**	**204,057**

During the six months ended 30 June 2018 and 2017, substantially all of the revenue earned by the Group was in Europe. Revenue was earned from customers located in the following locations: United Kingdom - 60% (six months ended 30 June 2017 - 64%), Sweden - 8% (six months ended 30 June 2017 - 10%), rest of Europe - 17% (six months ended 30 June 2017 - 13%), rest of world - 15% (six months ended 30 June 2017 - 13%).

Non-current assets by geographical location as at 30 June 2018 were as follows: Europe £85.1 million (31 December 2017 - £87.7 million) and Americas £481.9 million (31 December 2017 - £508.2 million).

5. Costs and expenses

	Three months ended 30 June 2018 (£000's)	Three months ended 30 June 2017 (£000's)	**Six months ended 30 June 2018 (£000's)**	Six months ended 30 June 2017 (£000's)
Distribution costs:				
Selling and marketing	**13,298**	10,846	**27,848**	20,449
Licensing fees	**11,739**	11,826	**23,483**	22,912
Gaming taxes	**10,056**	8,469	**21,319**	16,461
Processing fees	**4,394**	3,161	**8,336**	5,724
	39,487	34,302	**80,986**	65,546

Administrative costs:				
Compensation and benefits	**8,108**	8,016	**16,828**	16,091
Professional fees	**811**	797	**2,100**	2,005
General and administrative	**2,497**	2,440	**4,697**	4,621
Tangible asset depreciation	**137**	111	**261**	184
Intangible asset amortisation	**15,498**	16,300	**30,937**	29,976
	27,051	27,664	**54,823**	52,877

6. Interest income/expense

	Three months ended 30 June 2018 (£000's)	Three months ended 30 June 2017 (£000's)	**Six months ended 30 June 2018 (£000's)**	Six months ended 30 June 2017 (£000's)
Interest earned on cash held during the period	**31**	57	**65**	95
Interest earned on long-term loan receivable	**54**	-	**105**	-
Total interest income	**85**	57	**170**	95
Interest paid and accrued on long-term debt	**4,947**	7,702	**9,883**	15,627
Interest paid and accrued on convertible debentures	**3**	18	**6**	40
Total interest expense	**4,950**	7,720	**9,889**	15,667
Accretion of discount recognised on contingent consideration	**32**	2,365	**1,055**	4,468
Interest accretion recognised on convertible debentures	**-**	12	**8**	30
Debt issue costs and accretion recognised on long-term debt	**143**	777	**282**	1,560
Interest accretion recognised on other long-term liabilities	**314**	508	**681**	993
Total accretion on financial liabilities	**489**	3,662	**2,026**	7,051

7. Earnings per share

The following table presents the calculation of basic and diluted earnings per share:

	Three months ended 30 June 2018 (£000's)	Three months ended 30 June 2017 (£000's)	**Six months ended 30 June 2018 (£000's)**	Six months ended 30 June 2017 (£000's)
Numerator:				
Net income/(loss) - basic	**7,311**	(4,772)	**(436)**	(20,073)

Net income/(loss) - diluted[1]	**7,311**	(4,772)	**(436)**	(20,073)
Denominator:				
Weighted average number of shares outstanding - basic	**74,259**	73,785	**74,177**	73,680
Weighted average number of shares outstanding - diluted[1]	**74,992**	73,785	**74,177**	73,680
Instruments, which are anti-dilutive:				
Weighted average effect of dilutive share options	-	401	**740**	391
Weighted average effect of convertible debentures[2]	-	312	**39**	399
Net income/(loss) per share[3,4]				
Basic	**£0.10**	£(0.06)	**£(0.01)**	£(0.27)
Diluted[1]	**£0.10**	£(0.06)	**£(0.01)**	£(0.27)

1 *In the case of a net loss, the effect of share options potentially exercisable on diluted loss per share will be anti-dilutive; therefore, basic and diluted net loss per share will be the same.*

2 *An assumed conversion of convertible debentures had an anti-dilutive effect on loss per share for the six months ended 30 June 2018 and the three and six months ended 30 June 2017.*

3 *Basic income/(loss) per share is calculated by dividing the net income/(loss) attributable to common shareholders by the weighted average number of shares outstanding during the period.*

4 *Diluted income per share is calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding during the period and adjusted for the number of potentially dilutive share options and contingently issuable instruments.*

8. Trade and other receivables

Trade and other receivables consist of the following items:

	30 June 2018 (£000's)	31 December 2017 (£000's)
Due from the Gamesys group	**8,047**	8,634
Due from the 888 group	**1,739**	3,101
B2B and affiliate revenue receivable	**3,464**	2,481
Receivable for intangible assets sold	-	1,450
Prepaid expenses	**2,289**	2,375
Other	**561**	1,338
	16,100	19,379

9. Other long-term receivables

On 29 November 2017, the Group entered into a secured convertible loan and services agreement with Gaming Realms plc ('Gaming Realms') (the 'Gaming Realms Transaction').

Key terms of the Gaming Realms Transaction include: (a) five-year secured convertible loan to Gaming Realms in the principal amount of £3.5 million with an interest rate of 3 month UK LIBOR plus 5.5% per annum; (b) conversion option that allows the Group to convert some or all of the loan (in tranches of £0.5 million) into ordinary shares of Gaming Realms after 12 months; (c) a ten-year services agreement ('Services Agreement') for the supply by Gaming Realms of some of its content to websites of the Group's choosing free-of-charge. The value of the free-of-charge services provided under this Services Agreement will be capped at £3.5 million over the first five years of the agreement, at which point the provision of free-of-charge services will cease.

In connection with this transaction, the Group recognised a long-term receivable of £3.5 million for the secured convertible loan, in accordance with IFRS 9, based on the calculation of fair value at 30 June 2018, as explained in note 15.

10. Interest rate swap

On 16 February 2018, JPJ Group plc entered into an interest rate swap agreement (the 'Interest Rate Swap') in order to minimise the Group's exposure to interest rate fluctuations. The Interest Rate Swap has an effective date of 15 March 2018 (the 'Effective Date') and an expiry date of 15 March 2023. Under this agreement, JPJ Group plc will pay a fixed 6.439% rate of interest in place of floating GBP interest payments of GBP LIBOR plus 5.25%. The fixed interest rate will be paid on 60% of the GBP Term Facility (£150.0 million - the 'Notional Amount') to start. The Notional Amount will decrease by £30.0 million every 12 months from the Effective Date. The Interest Rate Swap was designated as a cash flow hedge, as described in note 3.

As at 30 June 2018, the fair value of the Interest Rate Swap was a £0.7 million payable (31 December 2017 - £nil). The Group has included £0.1 million of this payable in current liabilities, as shown in note 13 (31 December 2017 - £nil), with the value of the remaining balance, being £0.6 million (31 December 2017 - £nil), included in other long-term payables.

11. Intangible assets

As at 30 June 2018

	Gaming licences (£000's)	Customer relationships (£000's)	Software (£000's)	Brand (£000's)	Partnership agreements (£000's)	Non-compete clauses (£000's)	Goodwill (£000's)	Total (£000's)
Cost								
Balance, 1 January 2018	93	337,655	25,211	70,019	12,900	20,434	316,386	782,698
Additions	-	-	2,206	-	-	-	-	2,206
Translation	(5)	17	177	66	-	-	650	905
Balance, 30 June 2018	**88**	**337,672**	**27,594**	**70,085**	**12,900**	**20,434**	**317,036**	**785,809**
Accumulated amortisation/impairment								
Balance, 1 January 2018	81	139,333	12,551	10,005	4,458	7,661	19,605	193,694
Amortisation	22	20,651	2,599	1,747	811	5,107	-	30,937
Translation	(58)	42	7	19	-	-	455	465
Balance, 30 June 2018	**45**	**160,026**	**15,157**	**11,771**	**5,269**	**12,768**	**20,060**	**225,096**
Carrying value								
Balance, 30 June 2018	**43**	**177,646**	**12,437**	**58,314**	**7,631**	**7,666**	**296,976**	**560,713**

As at 31 December 2017

	Gaming licences (£000's)	Customer relationships (£000's)	Software (£000's)	Brand (£000's)	Partnership agreements (£000's)	Non-compete clauses (£000's)	Goodwill (£000's)	Total (£000's)
Cost								
Balance, 1 January 2017	94	340,927	21,670	70,054	12,900	20,434	317,829	783,908
Additions	-	-	2,708	-	-	-	-	2,708
Disposals	-	(3,822)	-	-	-	-	-	(3,822)
Translation	(1)	550	833	(35)	-	-	(1,443)	(96)

Balance, 31 December 2017	**93**	**337,655**	**25,211**	**70,019**	**12,900**	**20,434**	**316,386**	**782,698**
Accumulated amortisation/impairment								
Balance, 1 January 2017	34	96,811	7,414	6,523	2,824	-	21,477	135,083
Amortisation	41	44,958	4,820	3,504	1,634	7,661	-	62,618
Disposals	-	(2,638)	-	-	-	-	-	(2,638)
Translation	6	202	317	(22)	-	-	(1,872)	(1,369)
Balance, 31 December 2017	**81**	**139,333**	**12,551**	**10,005**	**4,458**	**7,661**	**19,605**	**193,694**
Carrying value								
Balance, 31 December 2017	**12**	**198,322**	**12,660**	**60,014**	**8,442**	**12,773**	**296,781**	**589,004**

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following items:

	30 June 2018 (£000's)	31 December 2017 (£000's)
Affiliate/marketing expenses payable	**4,899**	6,547
Payable to game suppliers	**2,120**	1,899
Compensation payable	**4,046**	4,868
Professional fees	**995**	875
Gaming tax payable	**2,109**	2,101
Other	**477**	1,531
	14,646	17,821

13. Other short-term payables

Other short-term payables consist of:

	30 June 2018 (£000's)	31 December 2017 (£000's)
Transaction related payables	**1,237**	3,484
Current portion of other long-term payables (note 16)	**8,667**	8,667
Interest Rate Swap (note 10)	**144**	-
	10,048	12,151

14. Credit facilities

	Term Loan (£000's)	**Incremental First Lien Facility (£000's)**	**Second Lien Facility (£000's)**	**EUR Term Facility (£000's)**	**GBP Term Facility (£000's)**	**Total (£000's)**
Balance, 1 January 2017	220,016	67,534	83,243	-	-	370,793
Principal	-	-	-	122,574	250,000	372,574
Repayment	(218,793)	(70,000)	(90,000)	-	-	(378,793)
Debt financing costs	-	-	-	(1,397)	(3,434)	(4,831)
Accretion*	7,846	2,466	6,757	8	18	17,095

Foreign exchange translation	(9,069)	-	-	1,718	-	(7,351)
Balance, 31 December 2017	-	-	-	122,903	246,584	369,487
Accretion*	-	-	-	85	197	282
Foreign exchange translation	-	-	-	(250)	-	(250)
Balance, 30 June 2018	**-**	**-**	**-**	**122,738**	**246,781**	**369,519**
Current portion	-	-	-	-	-	-
Non-current portion	**-**	**-**	**-**	**122,738**	**246,781**	**369,519**

**Effective interest rates are as follows: EUR Term Facility - 4.44%, GBP Term Facility - 6.01%.*

15. Financial instruments

The principal financial instruments used by the Group are summarised below:

Financial assets

	Financial assets as subsequently measured at amortised cost	
	30 June 2018 (£000's)	31 December 2017 (£000's)
Cash and restricted cash	**29,657**	59,241
Trade and other receivables	**16,100**	19,379
Other long-term receivables	**1,614**	2,104
Customer deposits	**8,677**	8,180
	56,048	88,904

Financial liabilities

	Financial liabilities as subsequently measured at amortised cost	
	30 June 2018 (£000's)	31 December 2017 (£000's)
Accounts payable and accrued liabilities	**14,646**	17,821
Other short-term payables	**9,904**	12,151
Other long-term payables	**4,908**	8,245
Interest payable	**675**	924
Payable to customers	**8,677**	8,180
Convertible debentures	**-**	254
Long-term debt	**369,519**	369,487
	408,329	417,062

The carrying values of the financial instruments noted above approximate their fair values.

Other financial instruments

	Financial instruments at fair value through profit or loss - assets/(liabilities)	
	30 June 2018 (£000's)	31 December 2017 (£000's)
Interest Rate Swap	**(718)**	-
Contingent consideration	**(8,633)**	(59,583)
Other long-term receivables	**3,464**	3,500
	(5,887)	(56,083)

Fair value hierarchy

The hierarchy of the Group's financial instruments carried at fair value is as follows:

	Level 2		Level 3	
	30 June 2018 (£000's)	31 December 2017 (£000's)	**30 June 2018 (£000's)**	31 December 2017 (£000's)
Interest Rate Swap	**(718)**	-	**-**	-
Other long-term receivables	**3,464**	3,500	**-**	-
Contingent consideration	**-**	-	**(8,633)**	(59,583)

The Interest Rate Swap balance represents the fair value of expected cash outflows under the Interest Rate Swap agreement.

Other long-term receivables represent the fair value of the loan receivable from Gaming Realms. The key inputs into the fair value estimation of this balance include the share price of Gaming Realms on the date of cash transfer, a five-year risk-free interest rate of 1.339%, and an estimated share price return volatility rate of Gaming Realms of 39.3%.

A discounted cash flow valuation model was used to determine the value of the contingent consideration. The model considers the present value of the expected payments, discounted using a risk-adjusted discount rate of 7%. The expected payments are determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.

On 15 June 2018, JPJ Group plc made a final earn-out payment of £58.5 million for the Botemania brand, its Spanish business within the Jackpotjoy segment and a £5.0 million milestone payment related to certain performance achievements within the Jackpotjoy segment. This final payment was met using existing cash resources.

As at 30 June 2018, the contingent consideration balance related to the two remaining milestone payments for the Jackpotjoy segment. The value of these remaining milestone payments reflects the high likelihood of these amounts becoming payable by their respective due dates.

The movement in Level 3 financial instruments is detailed below:

	(£000's)
Contingent consideration, 1 January 2017	120,187
Fair value adjustments	27,562
Payments	(94,218)
Accretion of discount	6,052
Contingent consideration, 31 December 2017	59,583
Fair value adjustments	11,450
Payments	(63,455)
Accretion of discount	1,055
Contingent consideration, 30 June 2018	**8,633**
Current portion	**4,463**

Non-current portion	**4,170**

16. Other long-term payables

The Group is required to pay the Gamesys group £24.0 million in equal monthly instalments in arrears over the period from April 2017 to April 2020, for additional non-compete clauses that came into effect in April 2017 and that expire in March 2019. The Group has included £8.7 million of this payable in current liabilities, as shown in note 13 (31 December 2017 - £8.7 million), with the discounted value of the remaining balance, being £4.9 million (31 December 2017 - £8.2 million), included in other long-term payables. During the six months ended 30 June 2018, the Group has paid a total of £4.0 million(six months ended 30 June 2017 - £1.3 million) in relation to the additional non-compete clauses.

17. Share capital

As at 30 June 2018, JPJ Group plc's issued share capital consisted of 74,258,930 ordinary shares, each with a nominal value of £0.10. JPJ Group plc does not hold any shares in treasury and there are no shares in JPJ Group plc's issued share capital that do not represent capital.

		Ordinary shares of £0.10
	(£000's)	**#**
Balance, 1 January 2017	7,298	72,983,277
Conversion of convertible debentures, net of costs	92	916,498
Exercise of options	17	165,156
Balance, 31 December 2017	7,407	74,064,931
Conversion of convertible debentures, net of costs	6	56,499
Exercise of options	14	137,500
Balance, 30 June 2018	**7,427**	**74,258,930**

Ordinary shares

During the six months ended 30 June 2018, JPJ Group plc did not issue any additional ordinary shares, except as described below.

Convertible debentures

During the six months ended 30 June 2018, debentures at an undiscounted value of £0.2 million were converted into 56,499 ordinary shares of JPJ Group plc. The remaining convertible debentures were redeemed in full to the value of £0.1 million on 1 June 2018.

Share options

During the six months ended 30 June 2018, nil share options were granted, 137,500 share options were exercised, nil share options were forfeited, and nil share options expired.

During the three and six months ended 30 June 2018, the Group recorded £0.1 million and £0.2 million, respectively (2017 - £0.4 million and £0.9 million) in share-based compensation expense relating to the share option plan with a corresponding increase in share-based payment reserve.

Long-term incentive plan

On 26 March 2018, JPJ Group plc granted a mirror award over ordinary shares of JPJ Group plc. The mirror award is on the same commercial terms as the Group's long-term incentive plan for key management personnel.

On 28 March 2018, JPJ Group plc granted additional awards over ordinary shares of JPJ Group plc under the Group's long-term incentive plan for key management personnel.

During the three and six months ended 30 June 2018, the Group recorded £0.1 million and £0.1 million, respectively (2017 - £nil) in share-based compensation expense relating to the long-term incentive plan with a corresponding increase in share-based payment reserve.

18. Contingent liabilities

Indirect taxation

JPJ Group plc subsidiaries may be subject to indirect taxation on transactions that have been treated as exempt supplies of gambling, or on supplies that have been zero rated where legislation provides that the services are received or used and enjoyed in the country where the service provider is located. Revenue earned from customers located in any particular jurisdiction may give rise to further taxes in that jurisdiction. If such taxes are levied, either on the basis of current law or the current practice of any tax authority, or by reason of a change in the law or practice, then this may have a material adverse effect on the amount of tax payable by the Group or on its financial position.

Where it is considered probable that a previously identified contingent liability will give rise to an actual outflow of funds, then a provision is made in respect of the relevant jurisdiction and period impacted. Where the likelihood of a liability arising is considered remote, or the possible contingency is not material to the financial position of the Group, the contingency is not recognised as a liability at the balance sheet date. As at 30 June 2018, the Group had recognised £nil liability (31 December 2017 - £nil) related to potential contingent indirect taxation liabilities.

19. Subsequent events

On 14 August 2018, the Group signed a share purchase agreement for the sale of its social business for a cash consideration of £18.1 million.

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[1] This release contains non-IFRS financial measures, which are noted where used. For additional details, including with respect to the reconciliations from these non-IFRS financial measures, please refer to the information under the heading 'Note Regarding Non-IFRS Measures' on page 6 of this release and Note 4 - Segment Information of the unaudited interim condensed consolidated financial statements on pages 22 through 27 of this release.

[2] Per share figures are calculated on a diluted weighted average basis using the IFRS treasury method.

[3] Operating cash flow plus proceeds from sale of intangible assets, net of capital expenditures.

[4] Adjusted net debt consists of existing term loan, convertible debentures, non-compete clause payout, fair value of swap and contingent consideration liability, less non-restricted cash.

[5] Adjusted net leverage ratio consists of existing term loans, non-compete clause payout, fair value of swap and contingent consideration liability less non-restricted cash divided by LTM to 30 June 2018 Adjusted EBITDA of £106.3 million.

[6] For additional details, please refer to the information under the heading 'Key performance indicators' on page 12 of this release.

[7] Effective 1 January 2018, the Mandalay segment has been aggregated with the Jackpotjoy segment. Refer to Note 4 - Segment Information of the unaudited interim condensed consolidated financial statements on pages 22 through 27 of this release for further discussion.

[8] Organic growth is growth achieved without accounting for acquisitions or disposals.

[9] Defined as Monthly Real Money Gaming Revenue per Average Active Customer - please refer to information under the heading 'Key performance indicators' on page 12 on this release.