



Jumbo Interactive Ltd

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EXPANDED RELATIONSHIP WITH AND INVESTMENT BY TATTS GROUP



Leading internet lottery business, Jumbo Interactive Limited (ASX: JIN), has expanded its decade-long commercial relationship with Tatts Group Limited (Tatts) (ASX: TTS), with a long term extension and expansion of its existing lottery reseller agreements. The relationship is further strengthened by Tatts subscribing for a substantial shareholding in Jumbo.

The key aspects of the agreements are as follows:

1. All current reseller agreements (NSW, Victoria, South Australia, Northern Territory and Fiji) have been extended for five years with potential to continue beyond 2022.
2. Tatts has agreed to provide an expanded product portfolio to include the popular "Set for Life" game.
3. Tatts has purchased 6,609,686 newly issued fully paid ordinary shares in Jumbo (giving Tatts a 15% shareholding) at \$2.37 per share, raising \$15.66 million in equity capital.
4. Tatts will also be granted a 12-month option to acquire a further 3,474,492 ordinary shares with a \$2.37 strike price, with the issue of this option subject to shareholder approval. Jumbo will convene a shareholder meeting for this purpose within the next 3 months.
5. The reseller agreements include a new termination right that permits (but does not oblige) Tatts to terminate each of the reseller agreements in the event that:
 - a. there is a change of control of Jumbo;



- b. Tatts' equity interest in Jumbo shares falls below 10%¹ within the next 2 years (other than as a direct result of a voluntary disposal by Tatts of its interest in Jumbo or other prescribed share issues occurring in the ordinary course); or
 - c. a competitor of Tatts:
 - i. enters into a distribution agreement with Jumbo;
 - ii. acquires 10% or more voting power in Jumbo;
 - iii. has an associate or representative on the Jumbo board; or
 - iv. increases its voting power by at least 3% after the occurrence of item (ii) or (iii) above.
6. Tatts has been invited by Jumbo to nominate a representative to join the Board of Directors of Jumbo as a non-executive director. Tatts does not presently intend to take up this invitation, however the offer will remain available to Tatts for so long as it retains at least a 10% shareholding interest in Jumbo.

The investment by Tatts in Jumbo further strengthens the commercial relationship between them and secures Tatts' agreement to the extension and variation of the reseller agreements.

The \$15.66 million share issue proceeds will be used by Jumbo to fund or supplement:

- a. additional growth or business investment opportunities arising from the expanded relationship with Tatts;
- b. strategic acquisition opportunities; and
- c. expansion opportunities identified by Jumbo such as approaches to accelerate the growing charity lottery business.

"Tatts' support via the expanded agreements and shareholding further aligns the Companies' interests and gives Jumbo certainty to plan for further longer term growth", said Mr Veverka, Founder and CEO of Jumbo Interactive Limited.

¹ For the purposes of calculating the % equity interest held by Tatts for this provision, the number of JIN shares on issue and the number of JIN shares held by Tatts are both deemed to include the number of JIN shares that would be on issue if Tatts were to exercise any options that Tatts holds that may be validly exercised as at the date the equity interest is to be calculated.



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About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX: JIN) as well as the German Frankfurt, Berlin and Stuttgart exchanges (Symbol: WKN A1C82X).

In 2000, Jumbo sold its first lottery ticket on the internet and witnessed a dramatic rise in popularity due to the convenience of buying tickets online. At first customers were attracted to the security of never losing a ticket and the convenience of automatic number checking, prize payments and auto-play. In 2012, Jumbo released a lottery app for the iPhone and a new transition began driven by the convenience of mobile lotteries. A new app for the Apple watch takes the customer experience a step further with prize alerts, winning numbers and ticket management now available on the wrist.

The Company operates the popular website www.ozlotteries.com in Australia under agreement with the Tatts Group (ASX: TTS).

Jumbo has proven its ability to open up new lottery markets with its innovative technology and internet marketing initiatives that have brought lotteries to new demographics via the internet. Jumbo has succeeded in targeting a younger and more mobile demographic with mobile now accounting for 75% of all customer interactions.

For further information:

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