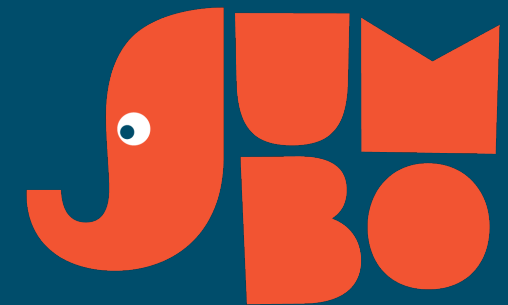


JUMBO INTERACTIVE LIMITED RESULTS PRESENTATION

For the half year ended 31 December 2019



ABN 66 009 189 128

JUMBO

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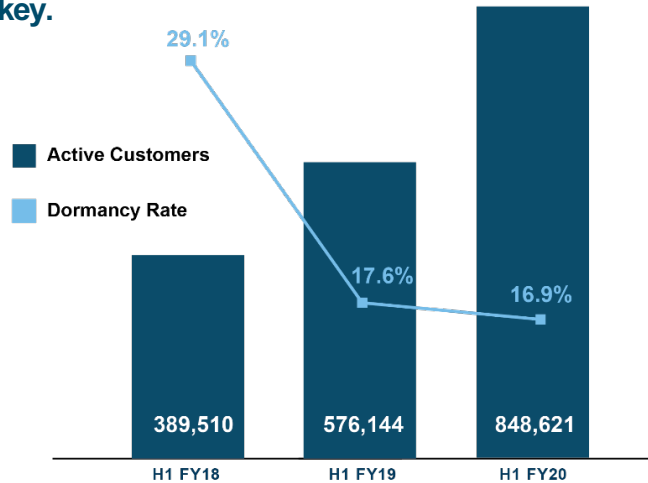


RESULTS HIGHLIGHTS



CUSTOMERS CLEARLY LOVE PLAYING ON JUMBO → LEADING TO STRONG FINANCIAL RESULTS

- 848,621 Active Customers up 118% over 2 years (+47% pcp)
- 16.9% Customer Dormancy Rate reduced 42% over 2 years
- New proprietary software platform effective in engaging customers to play more frequently.
- If Jackpots decline, engaging with existing customers will be key.



- TTV up 25.3% prior comparative period (pcp) to \$185.3 million
 - 26.7% (21.5% pcp) of all lottery sales in Australia are now sold online.
- Revenue up 23.1% pcp to \$37.6 million
- Net Profit after tax (NPAT) up 14% pcp to \$14.4 million
- EBITDA up 17% pcp to \$22.9 million

Continuing Operations	HY DEC 19 Actual	HY DEC 18 Actual	HY DEC 17 Actual
TTV	\$185.3 mil	\$147.8 mil	\$89.1 mil
Revenue	\$37.6 mil	\$30.5 mil	\$19.3 mil
NPAT	\$14.4 mil	\$12.7 mil	\$5.3 mil

Fantastic Syndicate app – Lotto Party 19 Jul
 ★★★★★ by Perthgavin
 Great app takes all the work out of recruiting, collecting money and paying dividends for your syndicate.

The best! 20 Sept
 ★★★★★ by rugstan
 A very user friendly app, unlike so many others.

Faultless 7 Feb
 ★★★★★ by Bibby N
 The first app that actually works!

Awesome! 2 Feb
 ★★★★★ by Rodsky
 Fantastic app!

Highly recommend 1 Sept
 ★★★★★ by fmmac1999
 Great, great easy to use app, won't go back.

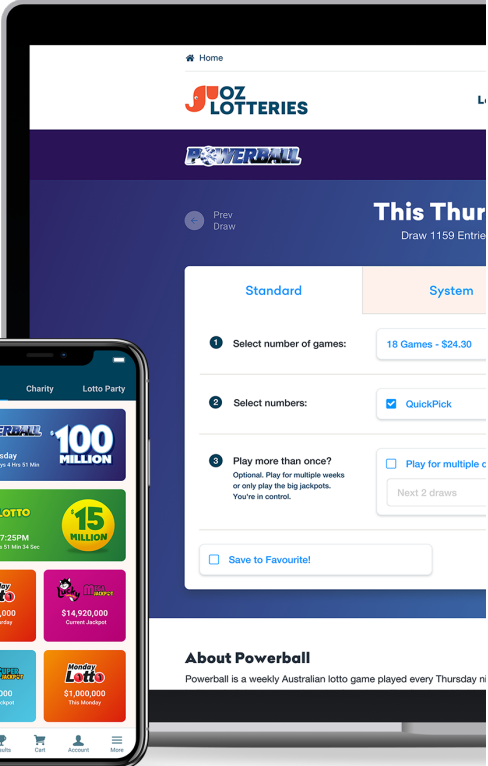
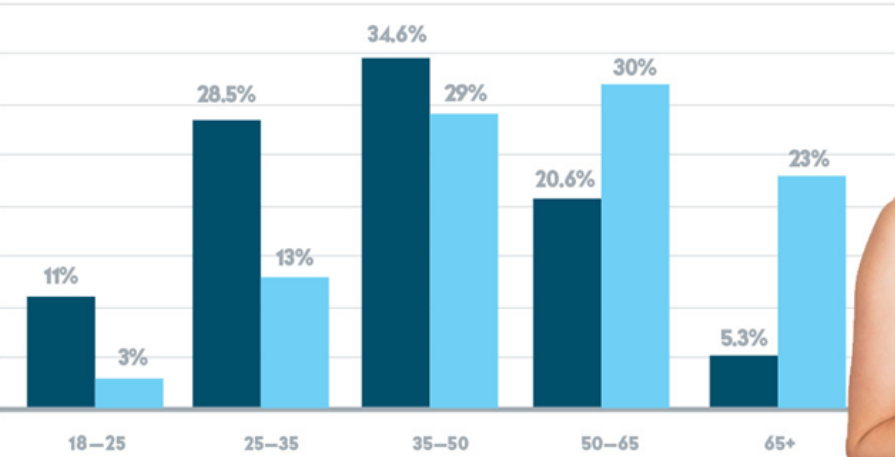
RESULTS HIGHLIGHTS (CONTINUED)

CUSTOMER ENGAGEMENT AND LOYALTY

- **Further innovations to enhance engagement and loyalty**
 - Artificial Intelligence (AI) and Machine Learning (ML) to improve personalisation and relevance to individual customers.
- **Younger Demographics**
 - Attracted to innovation
 - Start slow but build up over time
 - Future of the Lottery Industry

DRIVEN BY INNOVATION

- **Lotto Party**
 - Friends play socially as a group
 - Collects funds and lodges tickets without leaving the app
- **Super Combos and Public Syndicates (Group Play)**
 - Advanced game types proving to be popular
 - Advanced number pickers
- **Charity Games**
 - Popular when Jackpots low



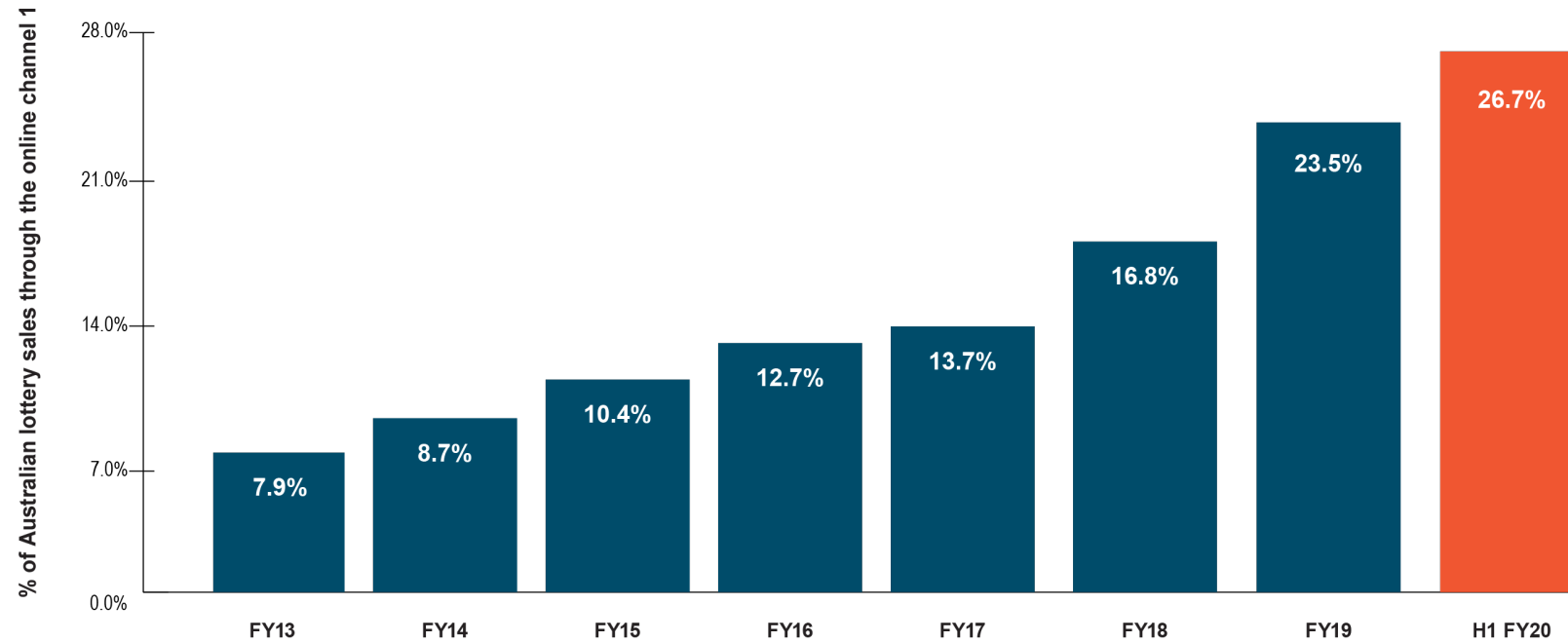
● Internet Lottery Player ● Total Lottery Players*

RESULTS HIGHLIGHTS (CONTINUED)



ONLINE LOTTERIES - A GROWING MARKET

- **26.7% of Australian lottery tickets now sold online¹**
 - 5 year CAGR 22% to FY2019
 - 5 year CAGR 29.6% to FY2019 of Jumbo flagship website ozlotteries.com (lottery and charity games)
- **The only pure digital play listed lottery company in Australia.**



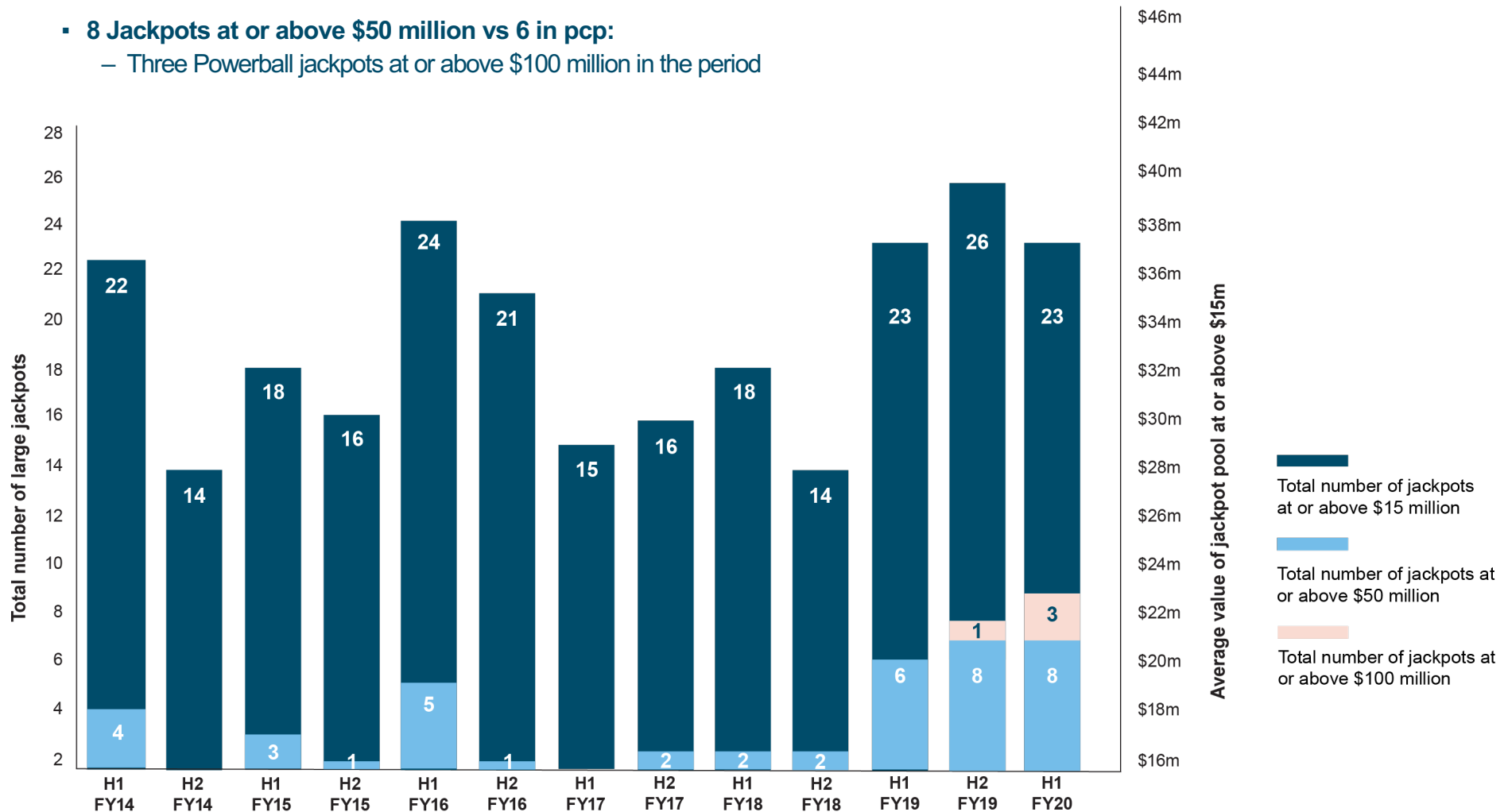
¹Source: Tabcorp Holdings Limited / Tatts Group Limited public filings

RESULTS HIGHLIGHTS (CONTINUED)



GOOD RUN OF LARGE JACKPOTS

- **23 large jackpots (Oz Lotto/Powerball at or above \$15 million) vs. 23 in pcp:**
 - Aggregate value of large jackpots - \$1,070 million vs. \$860 million
 - Average value per large jackpot - \$46.5 million vs. \$37.4 million
- **8 Jackpots at or above \$50 million vs 6 in pcp:**
 - Three Powerball jackpots at or above \$100 million in the period



SOFTWARE AS A SERVICE (SaaS) “POWERED BY JUMBO”



- **Large Global TAM**
 - US\$303 billion Total Addressable Market ¹
 - Only 7% is online
 - “Powered by Jumbo” is a complete solution for lotteries seeking to move online

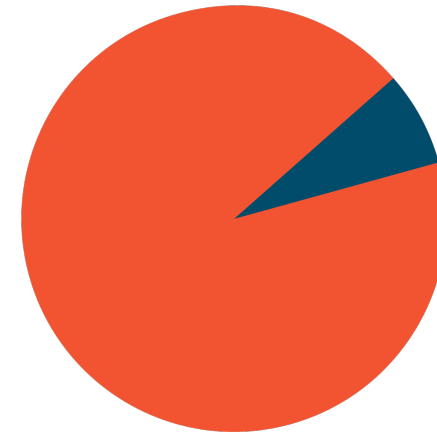
- **Initial target - Charity lotteries**
 - Smaller charity lotteries looking to improve their online offering
 - A\$3.5 billion initial TAM in Australia, UK & Canada ²

- **Mater Lotteries**
 - Agreement signed November 2018, Stage 1 live in June 2019
 - Complete onboarding scheduled for June 2020

- **Endeavour Foundation**
 - Agreement signed August 2019 (5+5 year SaaS agreement)

- **Deaf Lottery**
 - Signed 5 December 2019 (5+5 year SaaS agreement)

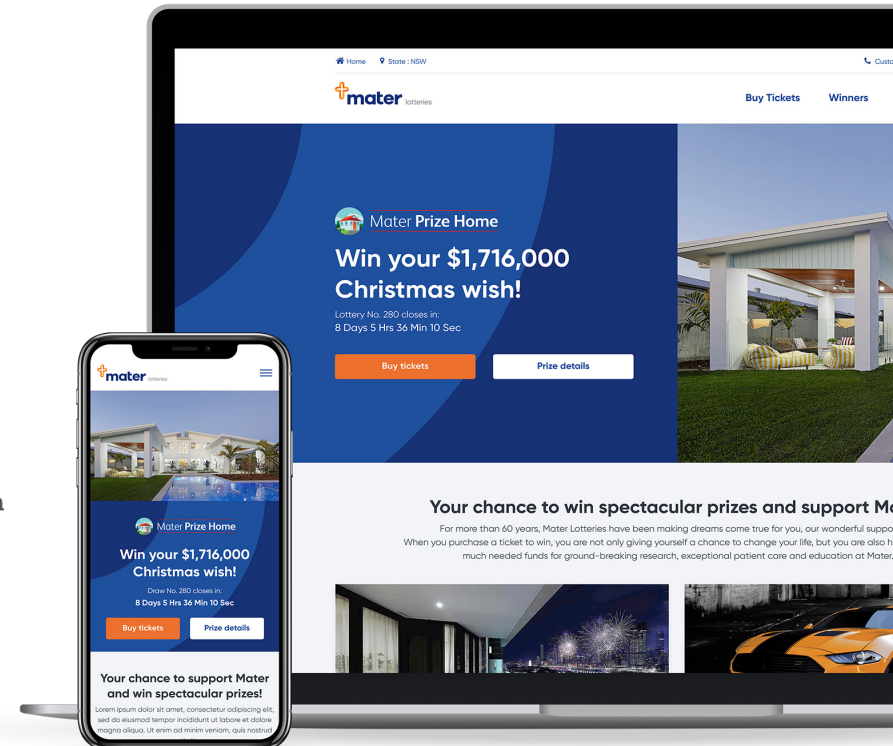
93%
Seeking to
move online



7%
Already
online



SURF LIFE SAVING
LOTTERIES

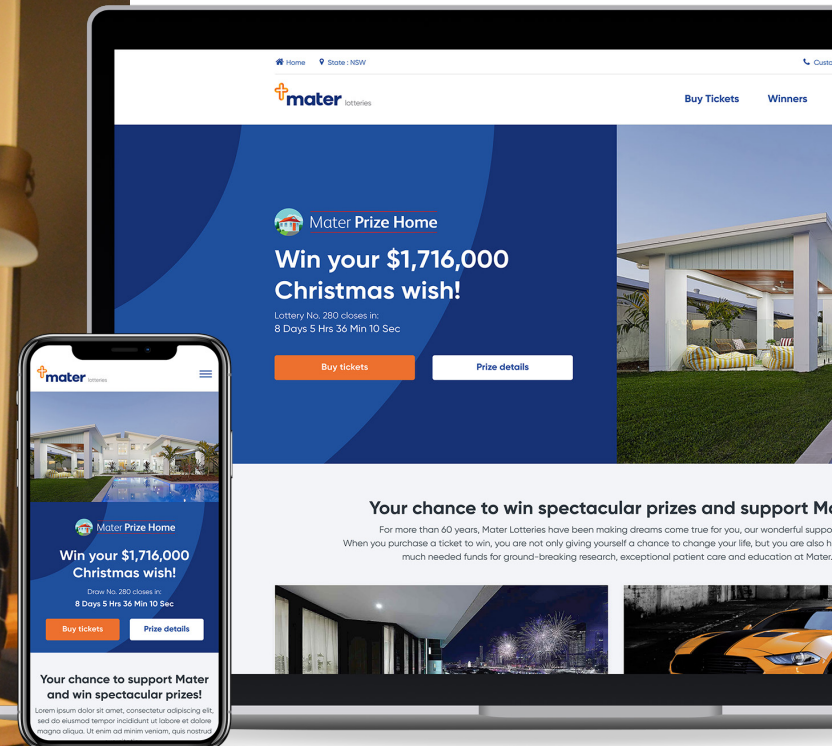


¹ Sources: The WLA Global Lottery Data Compendium 2018; Jumbo Research;
² Sources: Jumbo Research; lotteriescouncil.org.uk; charityintelligence.ca

SOFTWARE AS A SERVICE (SaaS) “POWERED BY JUMBO” (CONTINUED)



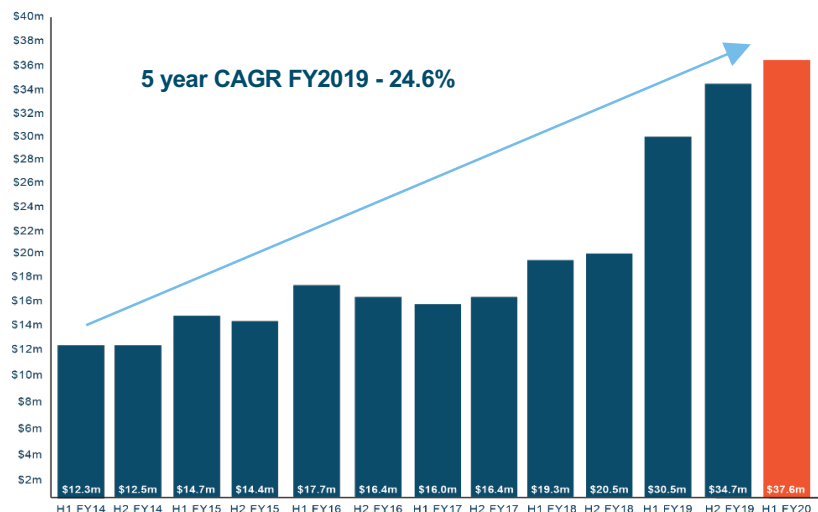
- **New POS (Point of Sale) Solution**
 - Provides portable and desktop digital sales capability
 - Tablet based with wireless payments device



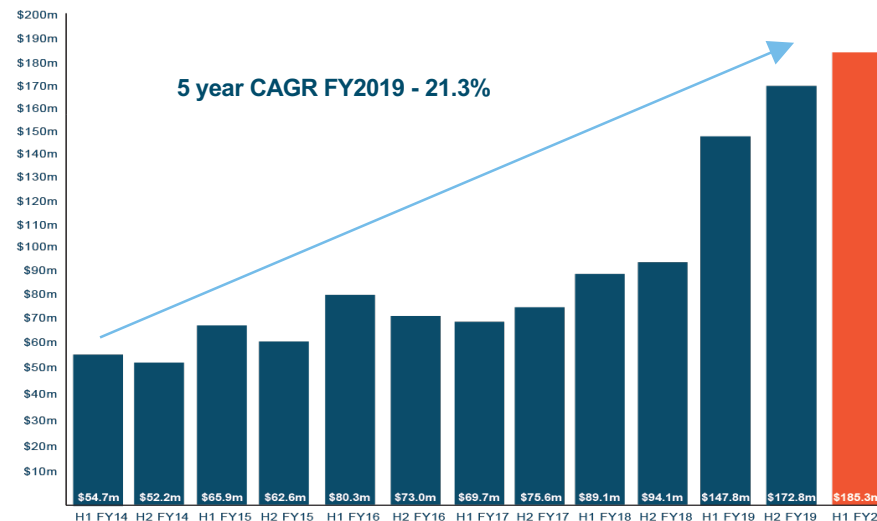
LONG TERM GROWTH PROFILE



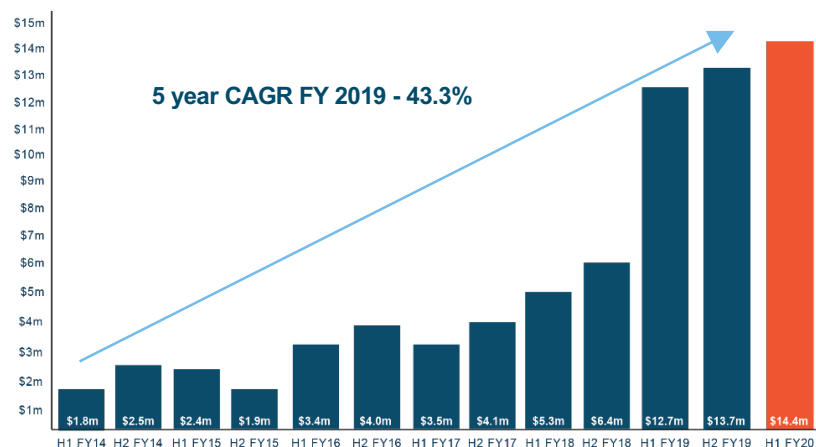
TOTAL TRANSACTION VALUE (TTV)



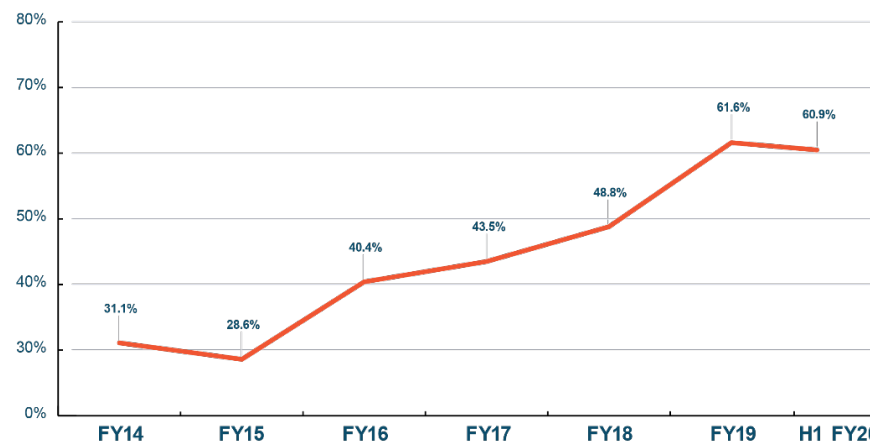
REVENUE



NET PROFIT AFTER TAX - CONTINUING OPERATIONS



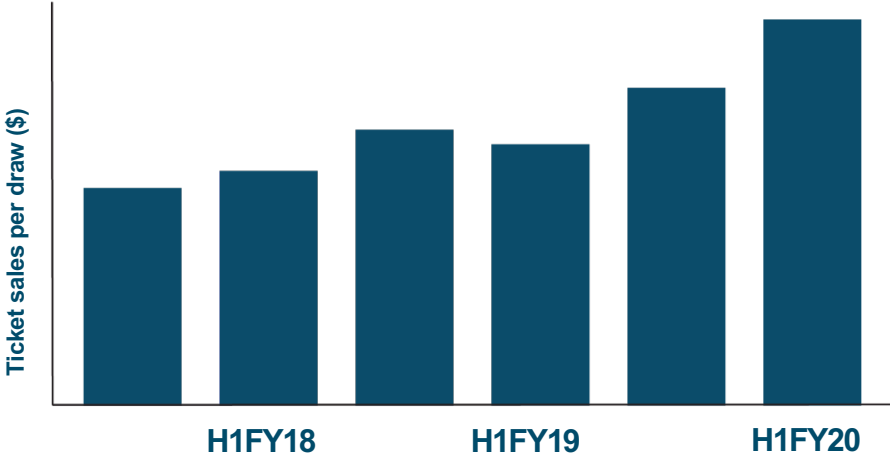
EBITDA MARGIN - CONTINUING OPERATIONS



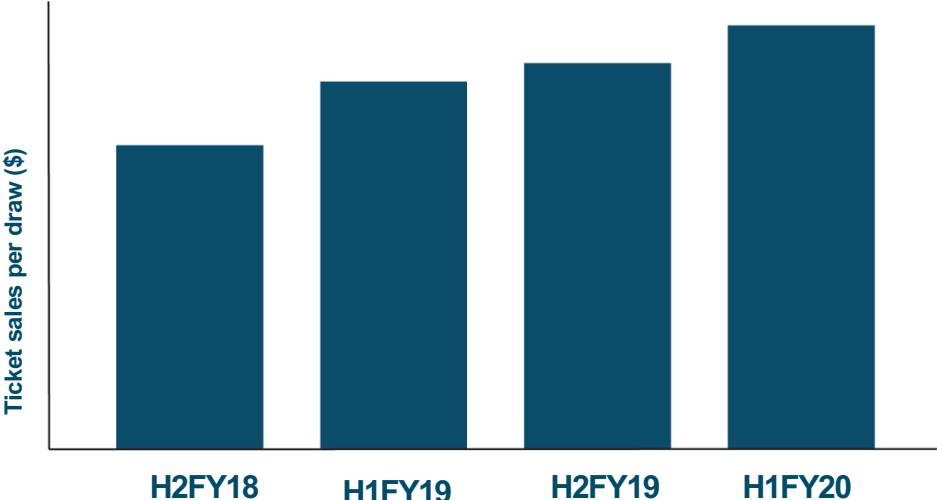
FINANCIAL PERFORMANCE (CONTINUED) – LIKE-FOR-LIKE ANALYSIS



- Removes the influence of jackpot size
- Compares sales over time at fixed jackpot levels
- Indicates customer engagement and loyalty
- Indicates resilience in years of low jackpots



Oz Lotto \$15 million draw sales



Powerball \$20 million draw sales

FINANCIAL PERFORMANCE



	H1 FY20 \$'000	H1 FY19 \$'000	Change %
Total Transaction Value	185,303	147,849	25.3%
Revenue from continuing operations	37,554	30,510	23.1%
Cost of goods sold	(1,014)	(1,031)	(1.6%)
Gross Profit	36,540	29,479	24.0%
Other income	797	887	(10.1%)
Distribution expenses	(16)	(11)	45.5%
Marketing expenses	(3,441)	(2,938)	17.1%
Occupancy expenses	(61)	(372)	(83.6%)
Administrative expenses	(12,995)	(8,840)	47.0%
Finance costs	(110)	(3)	3,566.7%
Total expenses	(16,623)	(12,164)	36.7%
Net Profit before Tax	20,714	18,202	13.8%
Income tax expense	(6,319)	(5,551)	13.8%
Net Profit after Tax	14,395	12,651	13.8%
<i>Basic earnings per share (cents)</i>	<i>23.1</i>	<i>21.4</i>	<i>7.9%</i>
<i>Diluted earnings per share (cents)</i>	<i>23.0</i>	<i>20.7</i>	<i>11.1%</i>

KEY ITEMS:

- TTV up 25.3%
- Revenue up 23.1%
- Total expenses up by 36.7% mainly associated directly with increased TTV and revenue; Gatherwell acquisition \$412,000 and step change expenses estimated at ~\$1,150,000
- EBITDA margin 60.9% (63.9% pcp – adjusted for AASB 16 Lease changes) - 65.1% adjusted for one-off and step change estimated expenses
- NPBT up 13.8% (22.4% adjusted for one-off and step change estimated expenses)
- NPAT up 13.8% (22.4% adjusted for one-off and step change estimated expenses)
- Effective Tax rate - 30.5% (1H FY19: 30.5%)
- EPS up 7.9% (15.9% adjusted for one-off and step change estimated expenses)

FINANCIAL PERFORMANCE



UNDERLYING PERFORMANCE:

- **One-off expenses**
 - \$412,000 Gatherwell acquisition expenses

- **Step change expenses**
 - Strategic decision made to support the increase in scale of business and expected growth over next three to five years
 - \$1,150,000 estimated circa step change expenses
 - Impact in the short term with expected medium to long term benefits with growth

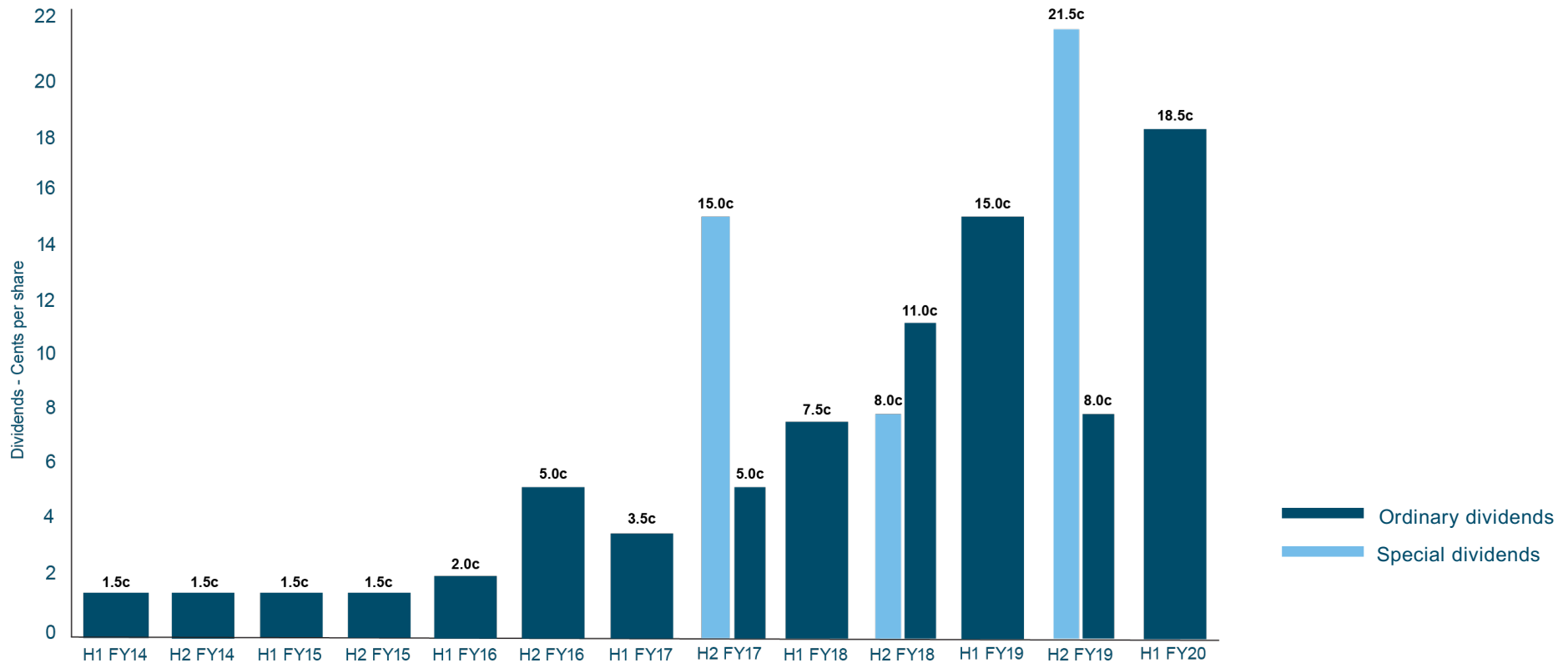
- **EBITDA margin**
 - EBITDA \$22,871,000 – 60.9%
 - Underlying EBITDA \$24,483,000 – 65.1%

DIVIDEND OVERVIEW



EXCEPTIONAL SHAREHOLDER RETURN FROM A GROWTH COMPANY

- Strong cash generative nature of operations supports dividend policy
- Interim fully franked dividend:
 - 18.5 cents per share
 - Record date 6 March 2020
 - Payment date 20 March 2020
- 80.7% payout ratio - Targeted dividend policy of 85% of NPAT for the full year is retained
- \$8.3 million franking credit balance after interim dividend payment



FINANCIAL POSITION



	at 31 Dec 2019 \$'000	at 30 Jun 2019 \$'000	Change %
ASSETS	108,014	101,622	6.3%
Current Assets	74,467	85,536	(12.9%)
Intangible Assets	31,845	14,683	116.9%
Property, Plant & Equipment	526	451	16.6%
Other Non-Current Assets	996	992	0.4%
LIABILITIES	28,665	24,284	18.0%
Current Liabilities	21,785	23,666	(7.9%)
Non-Current Liabilities	6,880	618	1,013.3%
TOTAL EQUITY	79,439	77,378	2.7%

KEY ITEMS:

CASH

- **Strong cash position of \$71.2 million**
 - General funds down 19.5% to \$59.4 million with funding of \$9.5 million Gatherwell acquisition from cash reserves
 - Customer funds up 9.3% to \$11.8 million
- **Growth delivered without the requirement for debt in the business**

CAPITAL

- **Capex of \$3.3 million (\$2.5 million pcp)**
 - FY20 capex estimated at \$6.5 million to \$7.0 million due to expanding SaaS business

EQUITY

- **Contributed equity up 1.0%**
 - Exercise of 300,000 options by KMP/staff (\$0.8 million)

CASH FLOW



	at 31 Dec 2019 \$'000	at 31 Dec 2018 \$'000	Change %
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	39,649	33,363	18.8%
Payments to suppliers & employees	(21,485)	(6,787)	216.6%
Net income tax paid	(6,873)	(5,190)	32.4%
Net interest received	578	686	(15.7%)
Net cash provided by operating activities	11,869	22,072	(46.2%)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment	(167)	(200)	(16.5%)
Payments for intangible assets	(3,104)	(2,344)	32.4%
Payments for investments, net of cash acquired	(4,996)	-	>100.0%
Payment for deposit for contingent consideration	(3,789)	-	>100.0%
Net cash used in investing activities	(12,056)	(2,544)	373.9%
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	(546)	-	>100.0%
Proceeds from issue of shares	787	16,297	(95.2%)
Dividends paid	(13,410)	(6,438)	108.3%
Net cash provided by/(used in) financing activities	(13,169)	9,859	(233.6%)
Net increase/(decrease) in cash & cash equivalents	(13,356)	29,387	(145.4%)
Net foreign exchange differences	3	(1)	(400.0%)
Cash at beginning of period	84,583	47,919	76.5%
Cash and cash equivalents at end of period	71,230	77,305	(7.9%)

KEY ITEMS:

- Strong cash position of \$71.2 million (\$59.4 million general funds)
- Payments for intangibles relate to website developments costs (generated internally)
- Acquisition of Gatherwell \$9.5 million funded from cash reserves

VISION & STRATEGY

THE \$1 BILLION VISION

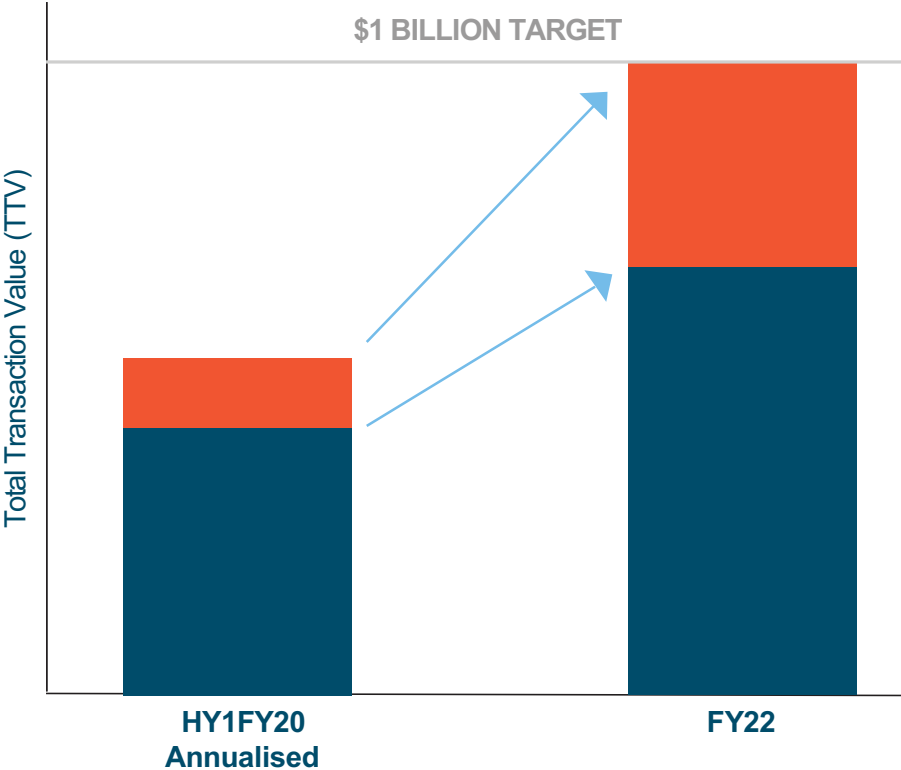
‘\$1 Billion in ticket sales on the Jumbo platform by FY22’

- Includes both the ticket reseller business and the SaaS business
- \$320 million at June 2019
- \$358 million at Dec 2019
- Additional \$135 million under contract with 3 Charities to be onboarded over the next 12 months

CAN WE GET TO \$1 BILLION IN TICKET SALES?

- Ticket reseller business needs to grow at 24.7% pa (historical 5-year CAGR) over 3 years to reach \$680 million
- Remaining \$320 million will need to come from the SaaS business which currently has \$135 million under contract.
- Aiming for at least \$100 million in new SaaS deals each year
- UK market potential
- US online lottery market opening up

■ SaaS business
■ Reseller business



VISION & STRATEGY (CONTINUED)



NUTS AND BOLTS

HOW WILL WE GET TO \$1 BILLION IN TICKET SALES?

- **Best of breed Software Platform**
 - Jumbo's own metrics prove the platform's effectiveness
 - Ongoing software development
 - Continue to improve customer engagement KPI's
 - Continue to maintain 'Powered by Jumbo' SaaS competitiveness
- **OzLotteries.com**
 - Continue building success
 - Room for growth - 26.7% of lottery tickets in Australia sold online¹
 - Growing customer database underpinning future growth
 - Strong relationships - continue to build a strong relationship with Tabcorp and with the major charitable lottery operators in Australia



¹Sources: Tabcorp Limited investor presentation dated 19 February 2020

STRATEGY - FIRST TO MARKET WITH ONLINE INNOVATIONS

- **Lotto Party - Online lottery syndication:**
 - First online lottery operator to offer syndication in Australia
 - Group play as a percentage of total TTV has increased to 10%
 - Combats jackpot fatigue
 - Drives growth through “Refer a friend”
 - Attracts a younger demographic
- **Class leading mobile App:**
 - Trend to mobile continues
 - Mobile accounts for about 75% of all customer interactions
 - Jumbo offers a 5-star App to the Australian market
 - Provides automatic results notification ensuring continued customer interaction after a draw
- **Voice interaction:**
 - Oz Lotteries voice app launched on Google Assistant
 - Product is still new in the market but early indications are good
 - Apple Siri to be launched in future periods



OUTLOOK



The business is well placed for the future:

- **Step change in FY2020 to support the increase in scale of the business and planned future growth**
- **Revenue from Reseller agreements:**
 - 5 year CAGR FY2019 of 25.0% for lotteries segment
 - Increasing digital penetration – 26.7% H1 FY2020
 - Continuing marketing strategy to attract new customers and improve customer engagement through ‘machine learning’ (AI/ML)
 - Continue improvements on the software platform to be in the best possible position to take full advantage of any future game changes and/or higher levels of jackpot activity¹ and if and when these occur
- **Revenue from SaaS agreements:**
 - Licensing agreements have been signed with certain charity lotteries in Australia with a delayed revenue contribution due to longer than expected onboarding
 - Based on estimated annual aggregate ticket sales of ~\$135.0 million p.a., estimated TTV and Revenue ~\$4.4 million p.a., and incremental NPBT ~ \$3.3 million p.a expected to be generated – exact timing unknown but largely expected in FY2021
 - Addition of future licensing agreements (from FY2021) with estimated ticket sales ~\$100 million p.a., estimated TTV and Revenue ~\$4.0 million p.a. and estimated incremental NPBT ~\$3.0 million – potential to introduce the Gatherwell model in Australia that will assist with this

¹ Large jackpot activity continues to be an important driver of TTV, so the level of this jackpot activity over the remaining period of FY20 may affect expected TTV growth accordingly. The Company continues to invest in its software platform and marketing to place it in the best possible position to take advantage of increased levels of jackpot activity when this occurs.

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