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Jumbo enters Canadian charity lottery market with acquisition of Stride

Jumbo Interactive Limited (**ASX:JIN**) today announced it has entered into an agreement to acquire 100% of Canadian lottery management provider Stride Management Inc. (**Stride**) for a cash consideration of A$11.7 million[1] (C$11.0 million) subject to satisfaction of certain conditions under the agreement.

The acquisition of Stride is another key strategic step in Jumbo's international expansion strategy following the successful acquisition of UK-based Gatherwell Ltd in November 2019.

Calgary-based Stride provides services to over 750,000 active lottery players in the Alberta and Saskatchewan provinces. It operates within the A$1.2 billion[1,2] estimated Total Addressable Market of the Canadian Charitable Lottery and Raffle sector. Stride is forecasting to generate ~A$122 million[1,3] (~C$115 million[3]) in Total Transaction Value with estimated service revenue of ~A$6.5 million[1,3] (~C$6.1 million[3]) and Net Profit Before Tax (**NPBT**) of ~A$2.5 million[1,3] (~C$2.3 million[3]).

Jumbo Interactive CEO and Founder Mike Veverka said "*Since 1997 Stride has grown to service over 750,000 active lottery players generating ~A$122 million in annual ticket sales. The acquisition will significantly add scale to our Managed Services business and gives us a strategic foothold to grow in the Canadian charity lotteries market.*"

"*Stride has a proven track record working with charitable organisations for over 20 years and we look forward to supporting the not-for-profit sector in Canada in meeting the challenges from COVID-19 and digitising their fundraising programs utilising Jumbo's world leading software and services.*"

The total consideration of A$11.7 million[1] (C$11.0 million) will be funded entirely from available cash with 70% (A$8.2 million[1], C$7.7 million) payable on completion and the remaining 30% (A$1.76[1] million, C$1.65 million) to be paid in two instalments in FY22 and FY23 subject to earnings hurdles being met. The total consideration reflects a NBPT multiple of ~4.8x based on the forecast performance for the year ended 30 September 2021.

[1] Based on exchange rate of $C0.94 = A$1.00
[2] JIN research – external consultant
[3] Forecast for Stride year ending 30 September 2021

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Completion of the transaction remains subject to Alberta and Saskatchewan Gaming Regulator's approval which is expected to occur in late calendar year 2021.

The current management team of Stride consisting of the President, Dean Faithfull and three key senior managers, will remain with Stride post completion. This management team has over 50 years combined experience with the charity gaming sector in Canada.

- Ends -

Authorised for release by the Board of Directors.

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About Stride Management Inc.

Stride was founded in 1997 in Calgary, Alberta, and has been passionately working with charitable organisations for over 20 years. The business employs a multi-disciplinary team of approximately 30 employees and has recently embarked on providing a full-service offer to organisations seeking to fundraise via a fully-managed raffle product. Further information about Stride is available on their website at https://www.stridemgmt.com.

About Jumbo Interactive

Jumbo is Australia's leading dedicated digital lottery company, making lotteries easier by offering its proprietary lottery software platform and lottery management expertise to the government and charity lottery sectors in Australia and globally, and by retailing lottery tickets in Australia and the South Pacific via ozlotteries.com.

Jumbo was founded in Brisbane in 1995, listed on the ASX in 1999, and has ~150 employees creating engaging and entertaining lottery experiences for its global player base.