

JD Sports Fashion Plc

Transfer of DTLR Villa LLC to Genesis Topco Inc

JD Sports Fashion Plc ('JD' or the 'Group'), a leading retailer of sports, fashion and outdoor brands, announces that on 2 July 2021 it completed the transfer of DTLR Villa LLC ('DTLR' or the 'Company'), which is an existing 98.6% owned subsidiary based in the United States, to Genesis Topco Inc ('Genesis'), which is an existing 80.0% subsidiary based in the United States and parent company of the sub-group which contains the Finish Line Inc and the Shoe Palace Corporation (the 'Transfer').

It was always JD's intention for DTLR to be part of the Genesis sub-group but the requirement for speed and certainty of execution on the original transaction meant that it was more appropriate for the Group to initially acquire DTLR directly. This transfer to Genesis now brings all of the Group's businesses in the United States into one sub-group which will enhance the future operational collaboration between them. However, as the parent to Genesis, JD will continue to make strategic decisions regarding the Company's future.

After customary working capital and other adjustments at completion, the total consideration payable by JD on the original acquisition of the Company was \$504.4 million, which was funded through a combination of existing cash within the Group and a drawdown of debt. The consideration payable by Genesis to JD in relation to the Transfer is the same as the total consideration paid by JD on the original acquisition.

By virtue of the fact that JD only owns 80% of Genesis, JD will effectively be disposing of a proportion of its investment in DTLR to the four Mersho Brothers ('Mershos') who, with their 20% aggregate shareholding in Genesis, are jointly a related party of JD. Accordingly, the Transfer, once entered into, will constitute a smaller related party transaction under Listing Rule 11.1.10. In order to maintain their shareholding in Genesis at the current level, the Mershos are investing into Genesis their pro rata element of the equity consideration which is payable to JD as part of the Transfer.

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