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CEO

Q2 2021
23 July 2021



Outline

Q2 2021 highlights

Business overview

- Kindred's strategic route
- The acquisition of Relax
- Focus on locally regulated markets
- Continued strong momentum
- Sustainability
- Regional update
- Product segment update

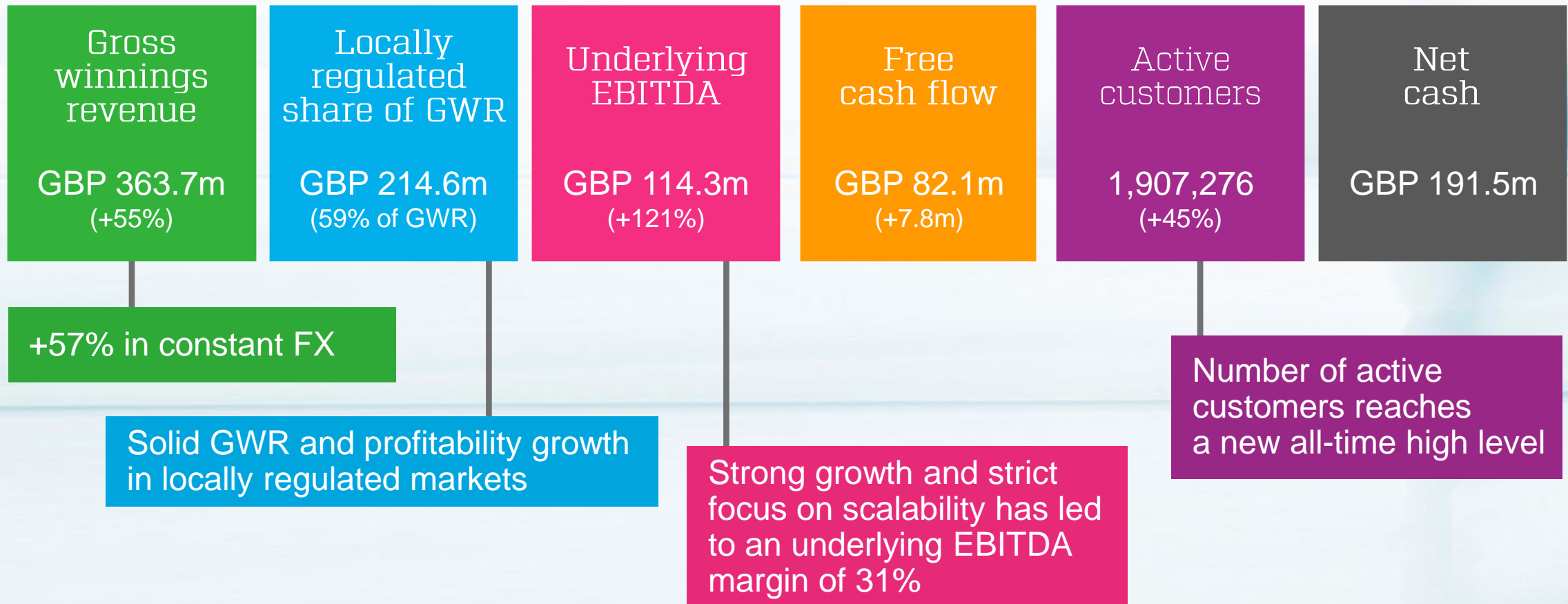
Trading update

Summary

Record activity across product segments driving continued strong performance



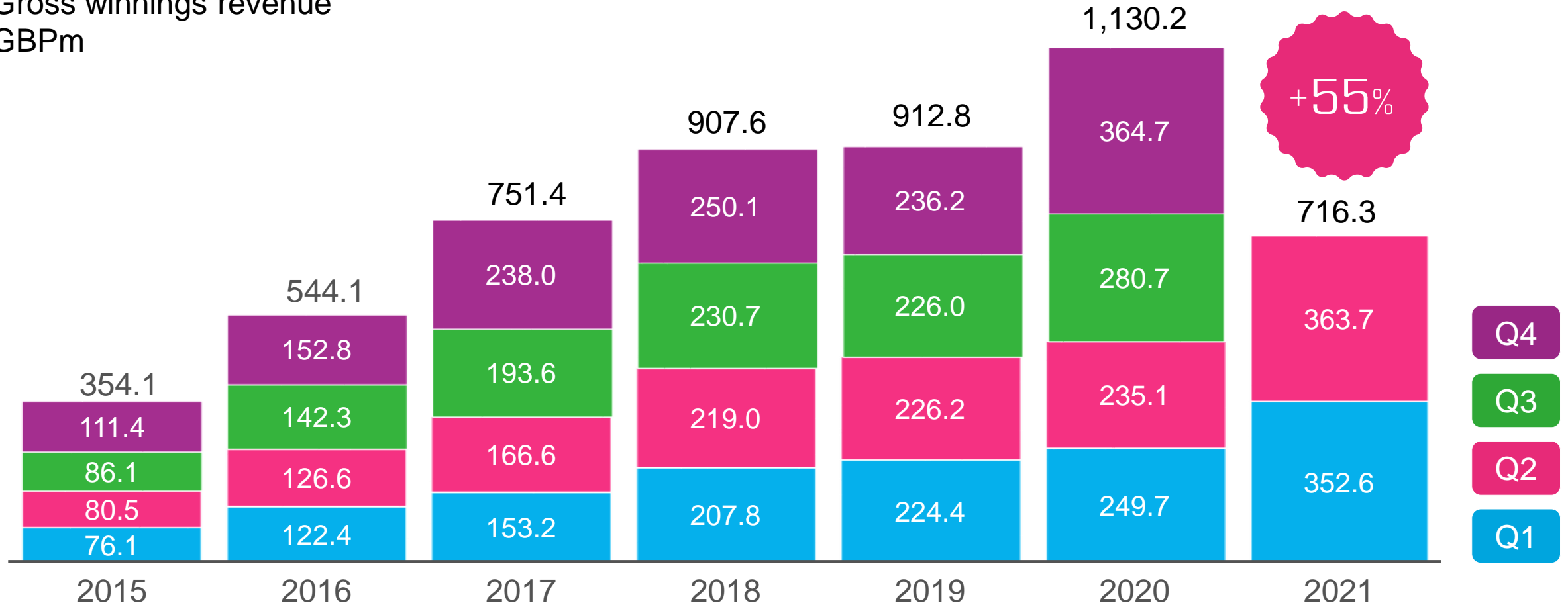
Q2 was another strong quarter for Kindred with continued growth across both the sports and casino product segments



Record activity across product segments is driving continued strong growth



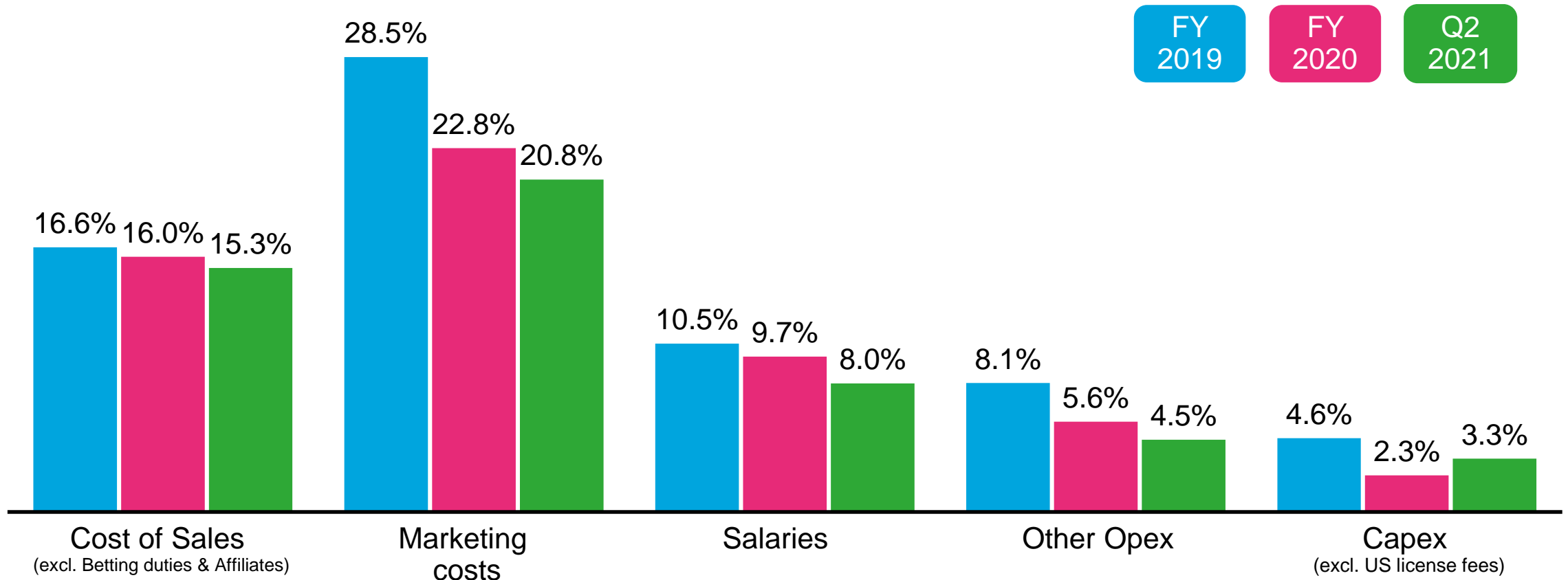
Gross winnings revenue
GBPm





Dedicated focus on scalability yields results

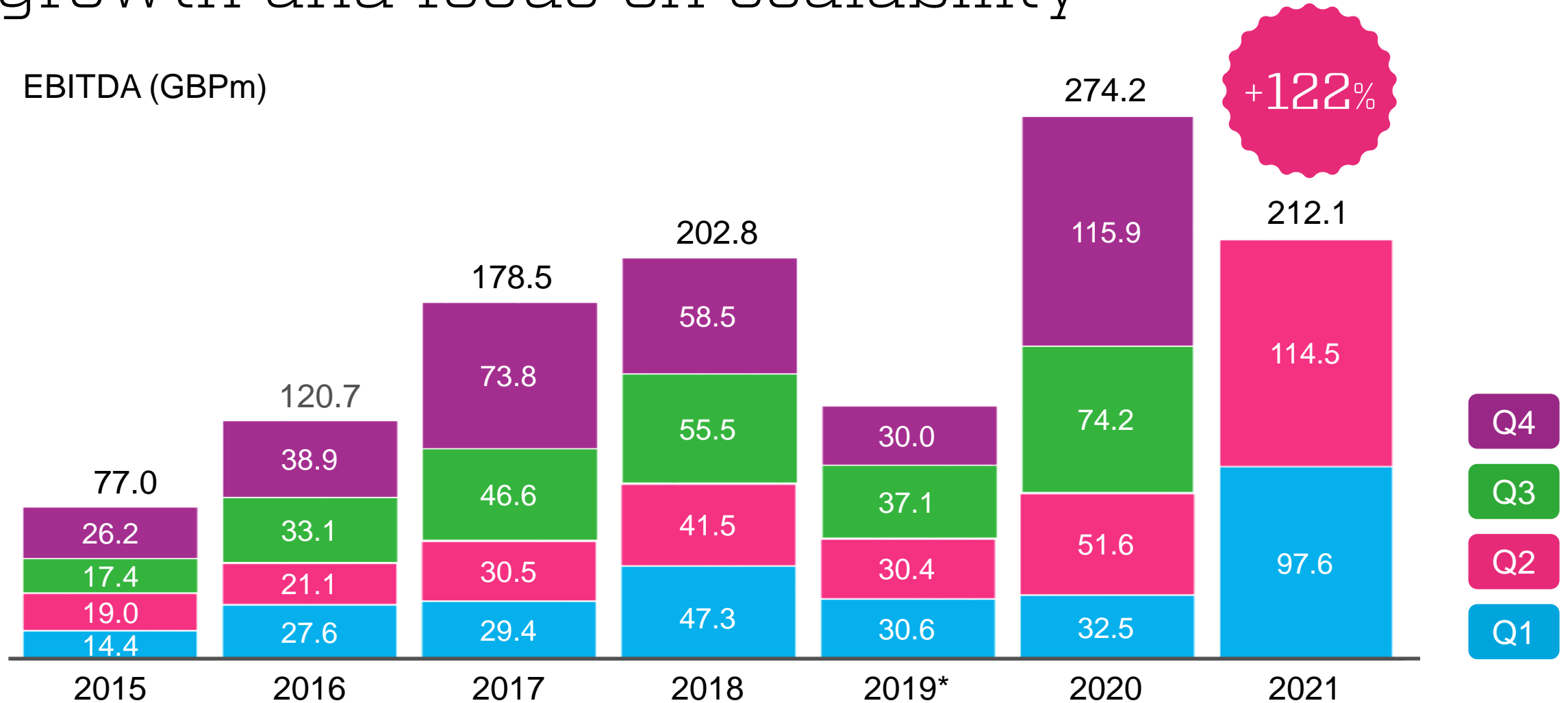
Expenses as a % of GWR



Strong EBITDA development driven by solid growth and focus on scalability



EBITDA (GBPm)



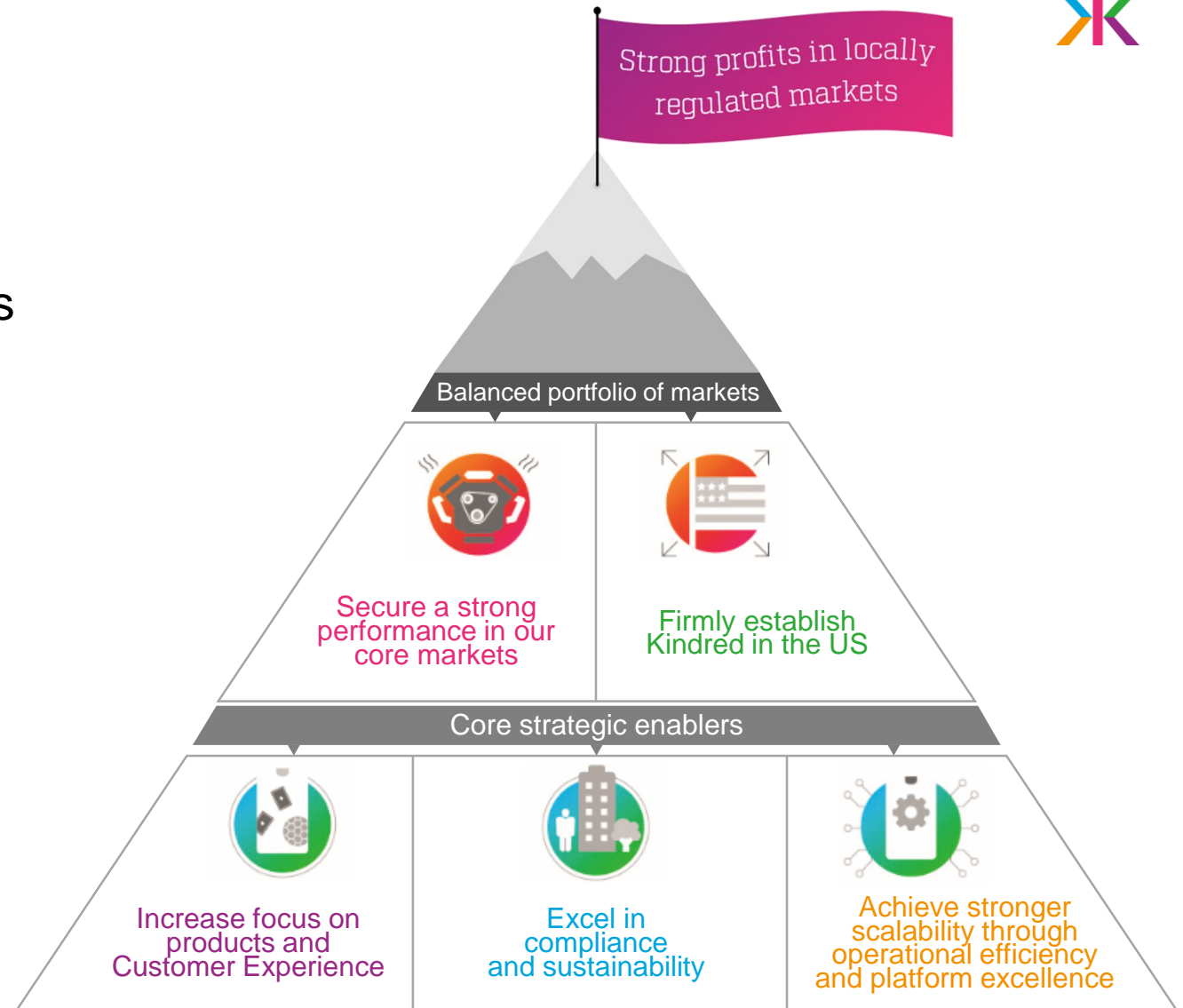
*Since 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to comparative years.

Business overview

Kindred's strategic direction



- Kindred's strategic objective is to generate profitable growth in locally regulated markets
- To achieve this, we are active in a balanced portfolio of markets in different stages of maturity providing us with opportunities for sustainable revenues and growth
- To be successful in our efforts, we have identified five strategic objectives where we will focus our investments the coming years




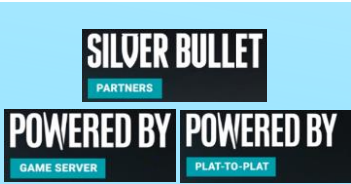


For more information: <https://www.kindredgroup.com/investors/business-model-and-strategy/>

Relax Gaming

Award-winning, B2B multi-product provider driving innovation in iGaming software and content



- Leading B2B iGaming software supplier that develops and distributes online casino slots, poker and bingo games
- Founded in 2010 as a spin-out from iGame Group Ltd
- Today around 240 employees
- Headquartered in Malta, with 4 main hubs located in Malta, Estonia, Sweden and Serbia

Casino own	Casino aggregation	Poker	Bingo
 <p>Own game production started in 2018</p> <p>Expected to release c. 25–30 own games in 2021</p> <p>3 dedicated game studios in Belgrade, Malmö and Stockholm</p> <p>35% of total revenues in 2020</p> <p>+143% FY18-FY20 revenue CAGR</p>	 <p>Three different partnership routes available for studios</p> <p>~50 studio partners</p> <p>High integration speed of 90+ game releases p.a.</p> <p>33% of total revenues in 2020</p> <p>+24% FY18-FY20 revenue CAGR</p>	 <p>Poker launched in 2014</p> <p>Currently live in France (ringfenced) and in the open market</p> <p>Developed by tech teams in Tallinn and Malmö</p> <p>23% of total revenues in 2020</p> <p>+58% FY18-FY20 revenue CAGR</p>	 <p>Bingo launched in 2015</p> <p>Multiple Bingo halls available in different game formats with varied jackpot progressives</p> <p>Developed by the tech team in Tallinn</p> <p>9% of total revenues in 2020</p> <p>-13% FY18-FY20 revenue CAGR</p>
~170 integrated operators		Kindred exclusive	Kindred exclusive

The acquisition of Relax Gaming

Will accelerate our strategy to increase focus on product & CX



Key acquisition highlights

Leading B2B iGaming supplier with world-class product portfolio and a large growing customer base that will be operated as an independent entity within Kindred

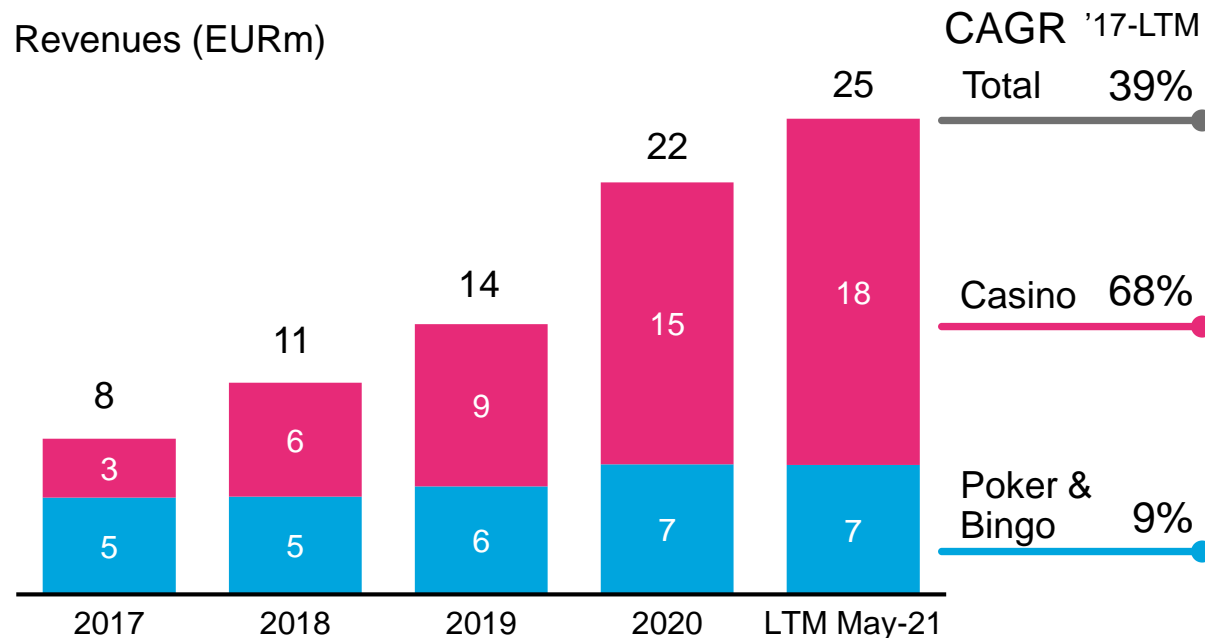
Proprietary content development and impressive technology platform will enhance Kindred's differentiation capabilities

Impressive growth momentum and highly scalable business model with very high margins for additional volumes

Strengthens Kindred's product offering and differentiation, as well as position in the value chain while Relax will benefit from enhanced investment capabilities

Identified annual cost synergies of about €8m driving additional value for the enlarged Kindred Group

Combination of improved distribution power supported by continuously improving game quality driving the rapid growth



270%
2018A-20A
EBITDA CAGR

42%
EBITDA margin
2021YTD*

~170
Integrated
operators

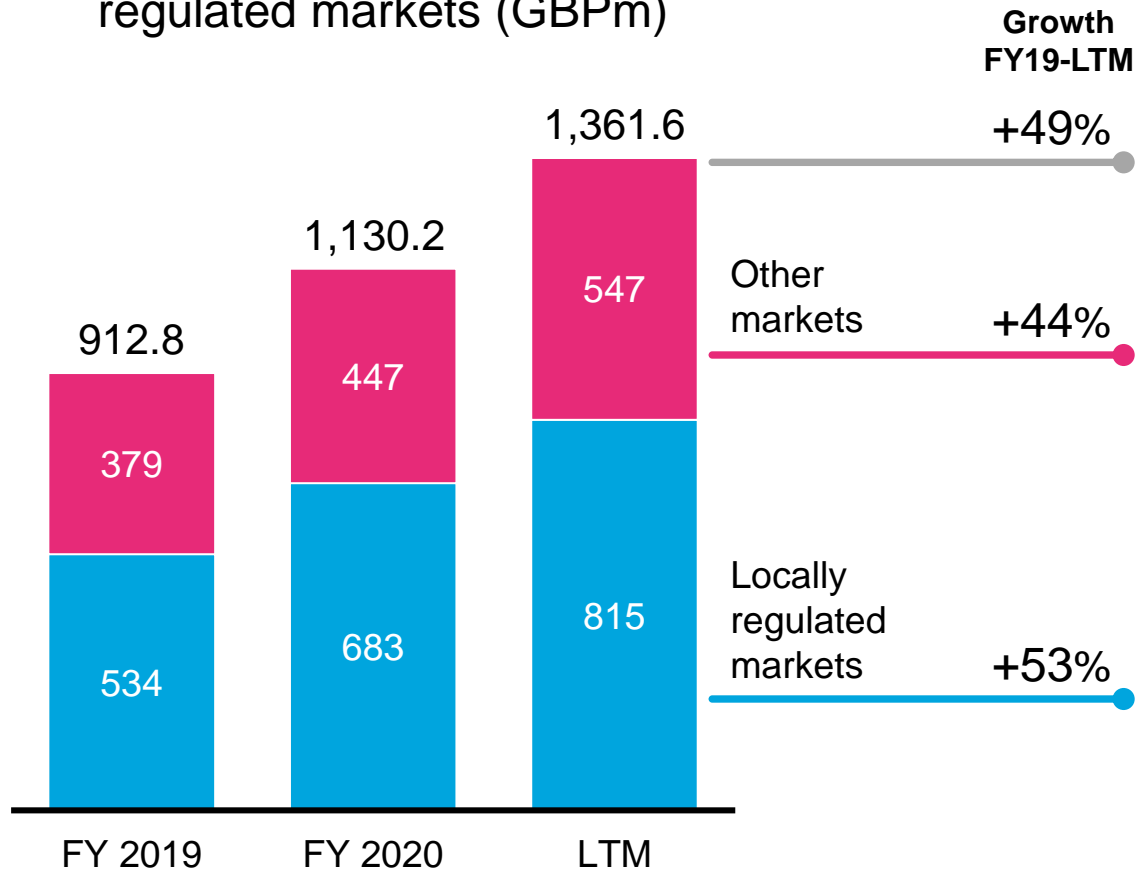
~2,500
Games

* January to May 2021

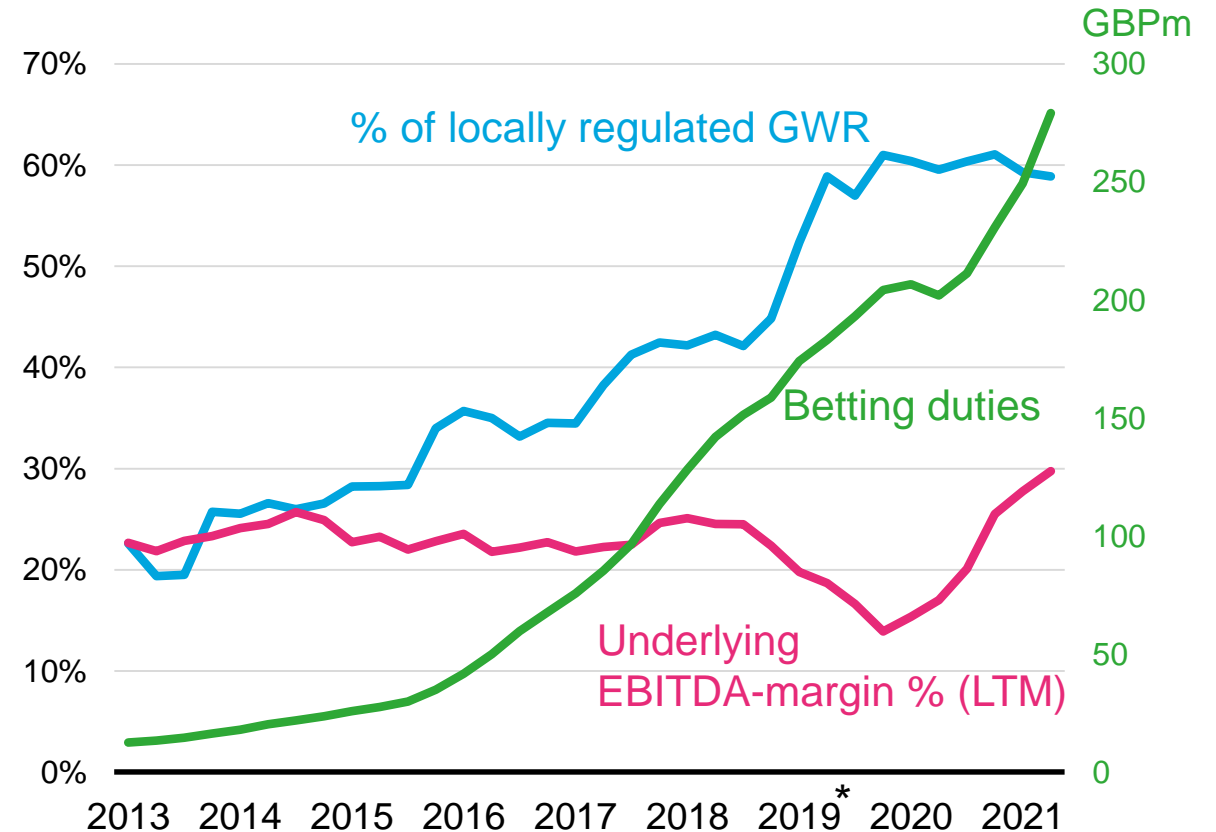


Focus on locally regulated markets

Strong GWR growth in locally regulated markets (GBPm)



Stable long-term profit margins despite short-term regulatory pressure and increased betting duties

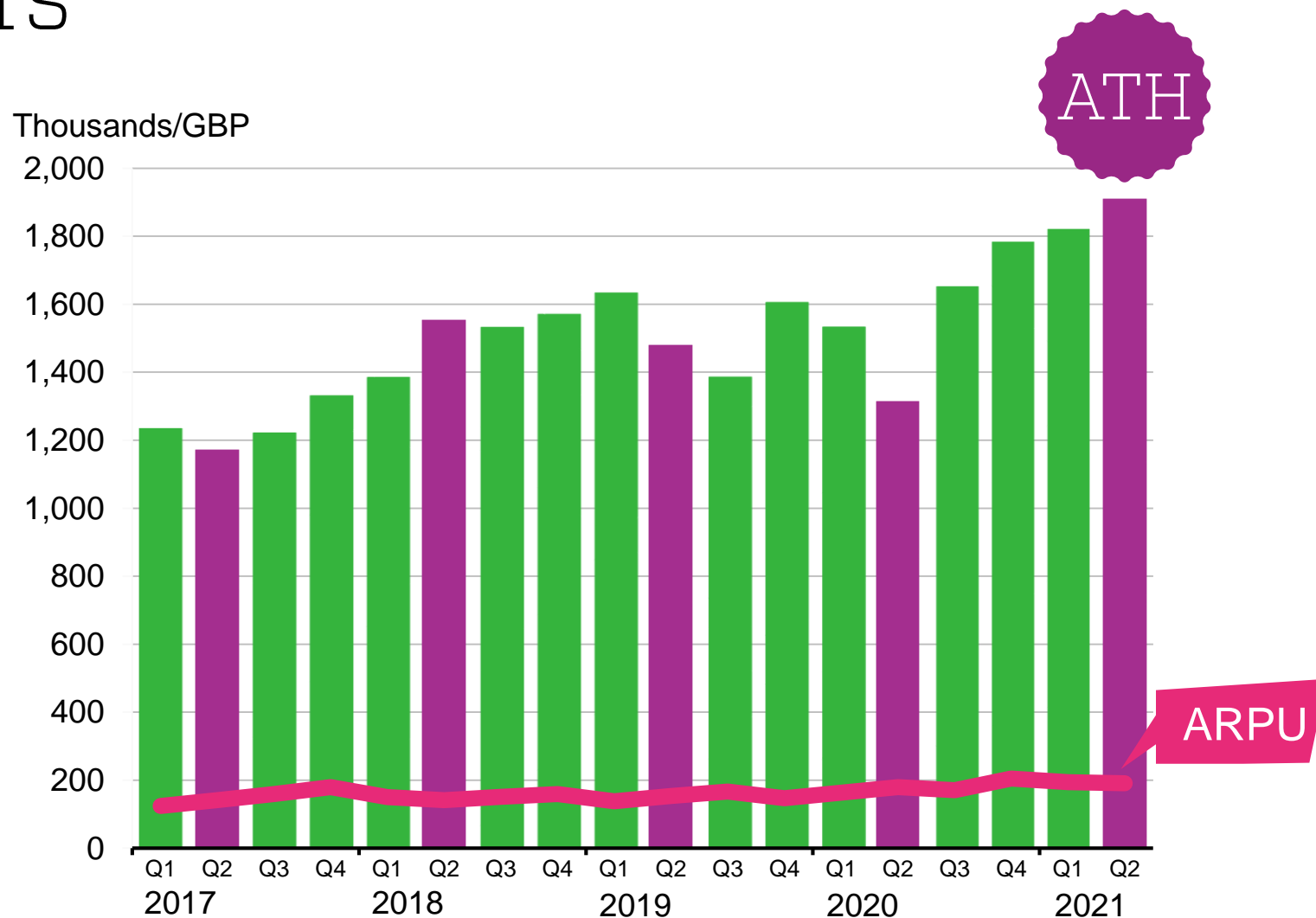


* 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to prior years.

All-time high in number of active customers



- The level of customer activity has remained high across the business
- Number of active customers reached approx. 1.91 million, a sequential all-time high fueled by the busy sporting calendar and a 45% increase compared to Q2 2020

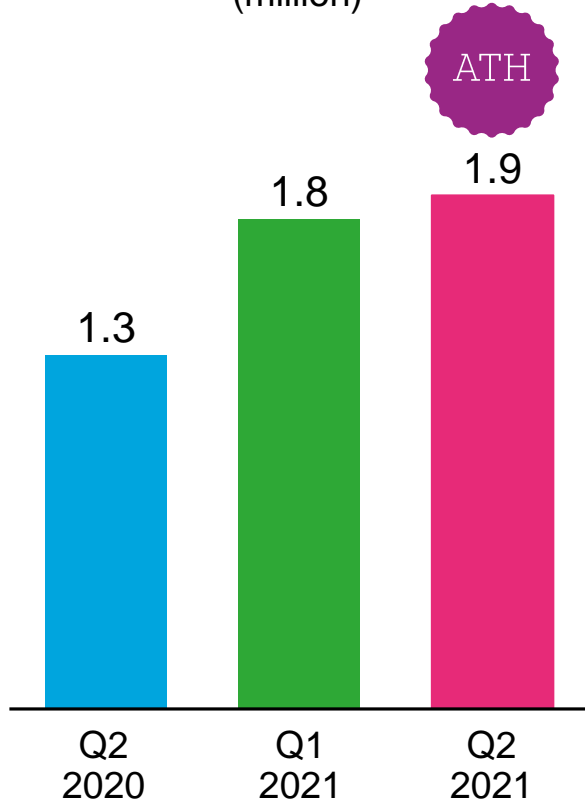


The strong activity has continued despite gradual normalization from Covid-19

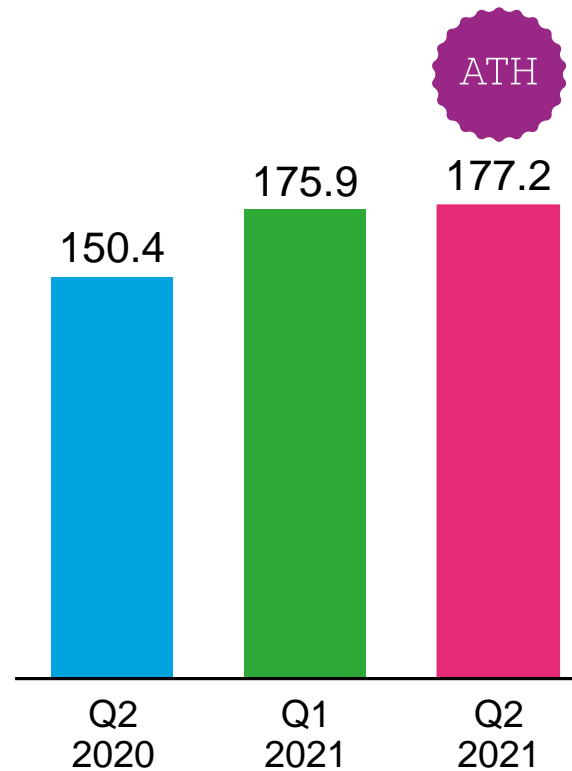


**High activity across the business with both sports
and casino segments continuing to show strong performance**

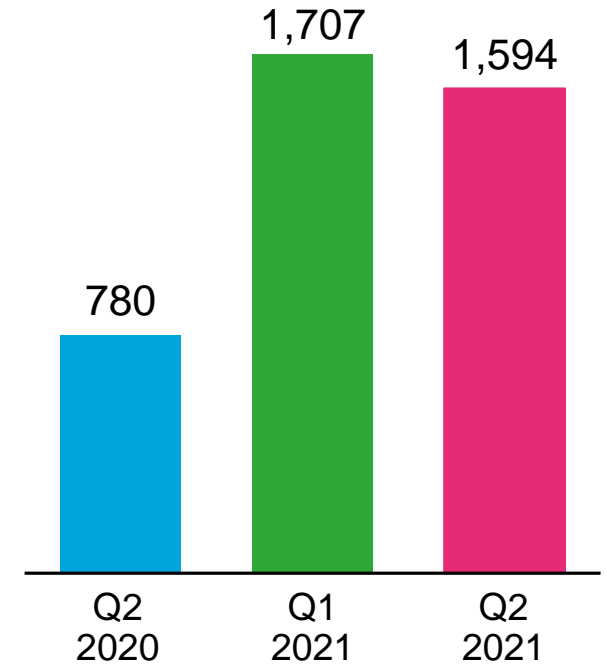
Number of active customers
(million)



Casino GWR
(GBPm)



Sportsbook turnover
(GBPm)



Product segment update

Sports Betting

- Continued high activity with favourable sporting conditions and minimal event disruptions due to COVID-19
- Several matches in the early stages of the EURO 2020 achieved record activity
- GWR increased by 153% compared to Q2 2020 driven by both high activity and high sports betting margin

Casino and games

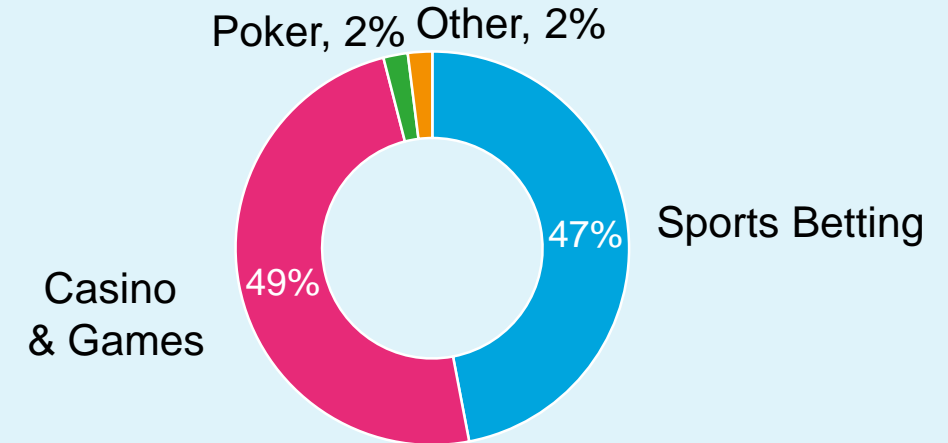
- Continued strong activity despite that the offline segment has begun to reopen
- GWR increased by 18% compared to Q2 2020 while active customers increased by 11% vs. same period last year

Poker and other products

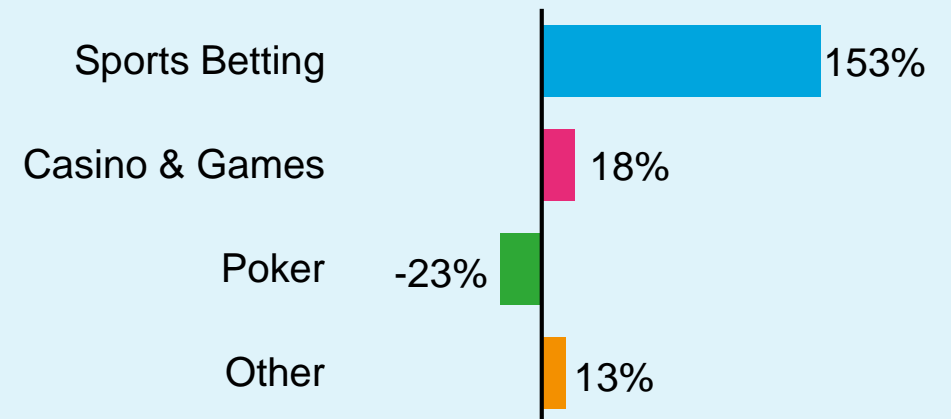
- GWR for poker decreased by 23% compared Q2 2020 due to a higher level of activity last year during the initial lockdowns caused by COVID-19



GWR by product segment Q2 2021



GWR year-on-year growth



EURO 2020 has been one of the largest events ever for Kindred



EURO 2020 – tournament statistics

<i>June turnover (GBPm)</i>	194.3
<i>July turnover (GBPm)</i>	51.1
Total turnover (GBPm)	245.4
<i>June GWR excl. Free bets (GBPm)</i>	25.0
<i>July GWR excl. Free bets (GBPm)</i>	8.9
Total GWR excl. Free bets (GBPm)	33.9
<i>June margin before free bets</i>	12.9%
<i>July margin before free bets</i>	17.3%
Total margin before free bets	13.8%

EURO 2020 accounted for 7 Unibet's top 14 turnover events ever

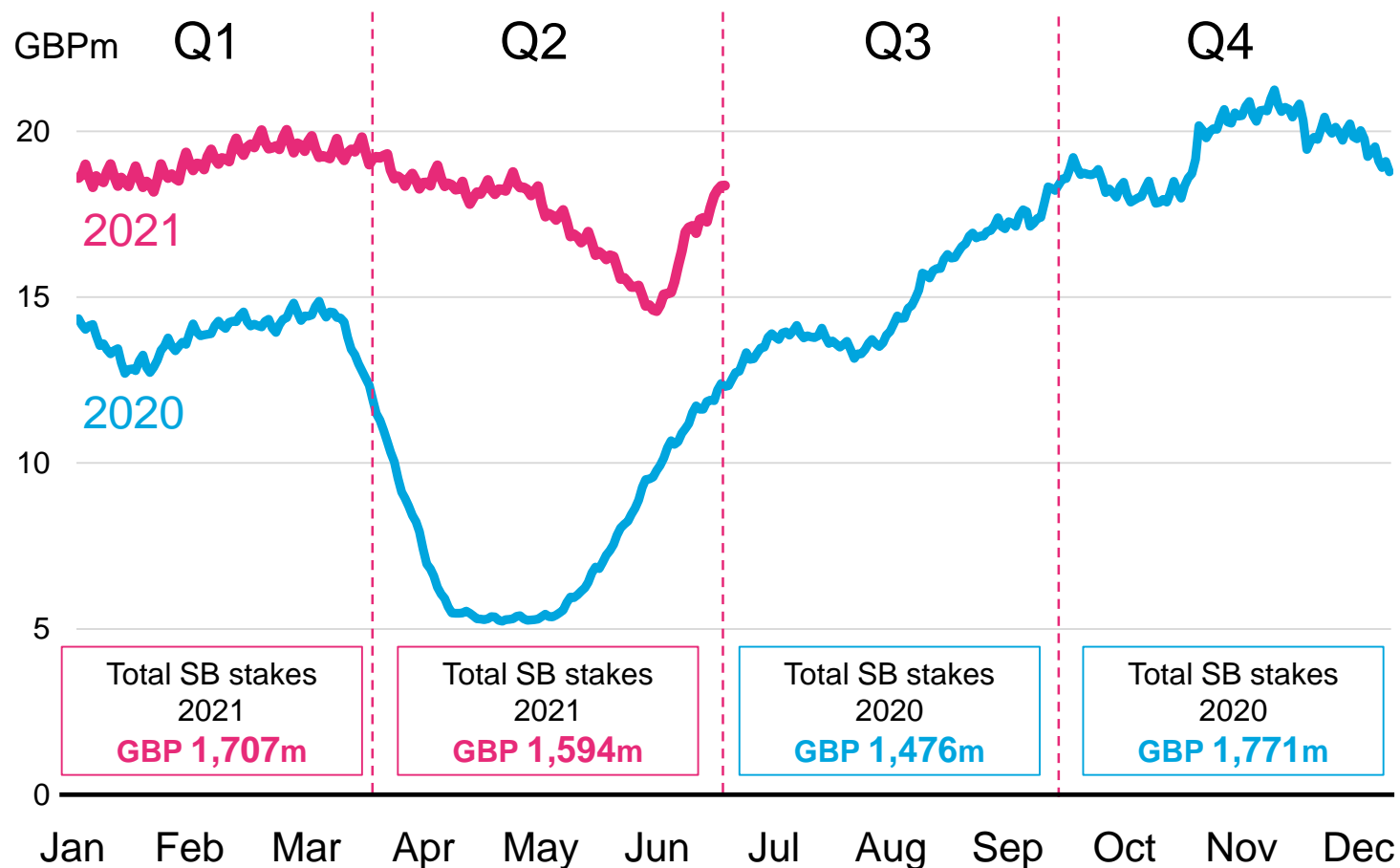
1	World Cup Final 2018	France - Croatia
2	Politics 2020	US Presidential Election 2020
3	Champions League Final 2020	Paris SG - Bayern München
4	Euro 2020	France - Switzerland
5	Euro 2020 Final	Italy - England
6	World Cup 2018	France - Belgium
7	World Cup 2018	Croatia - Denmark
8	World Cup 2018	Brazil - Switzerland
9	Euro 2020	Denmark - Belgium
10	Euro 2020	Italy - Austria
11	World Cup 2018	Croatia - England
12	Euro 2020	England - Denmark
13	Euro 2020	Italy - Spain
14	Euro 2020	Hungary - France

Continued strong sports betting turnover development

- Sustained strong demand for sports throughout the quarter
- Strong sportsbook turnover despite high sportsbook margin
- Q2 sportsbook turnover grew by 104% year-on-year
- Euro 2020 commenced in June contributing 12% to total sportsbook turnover in Q2 2021



Rolling 30 days average daily sportsbook turnover

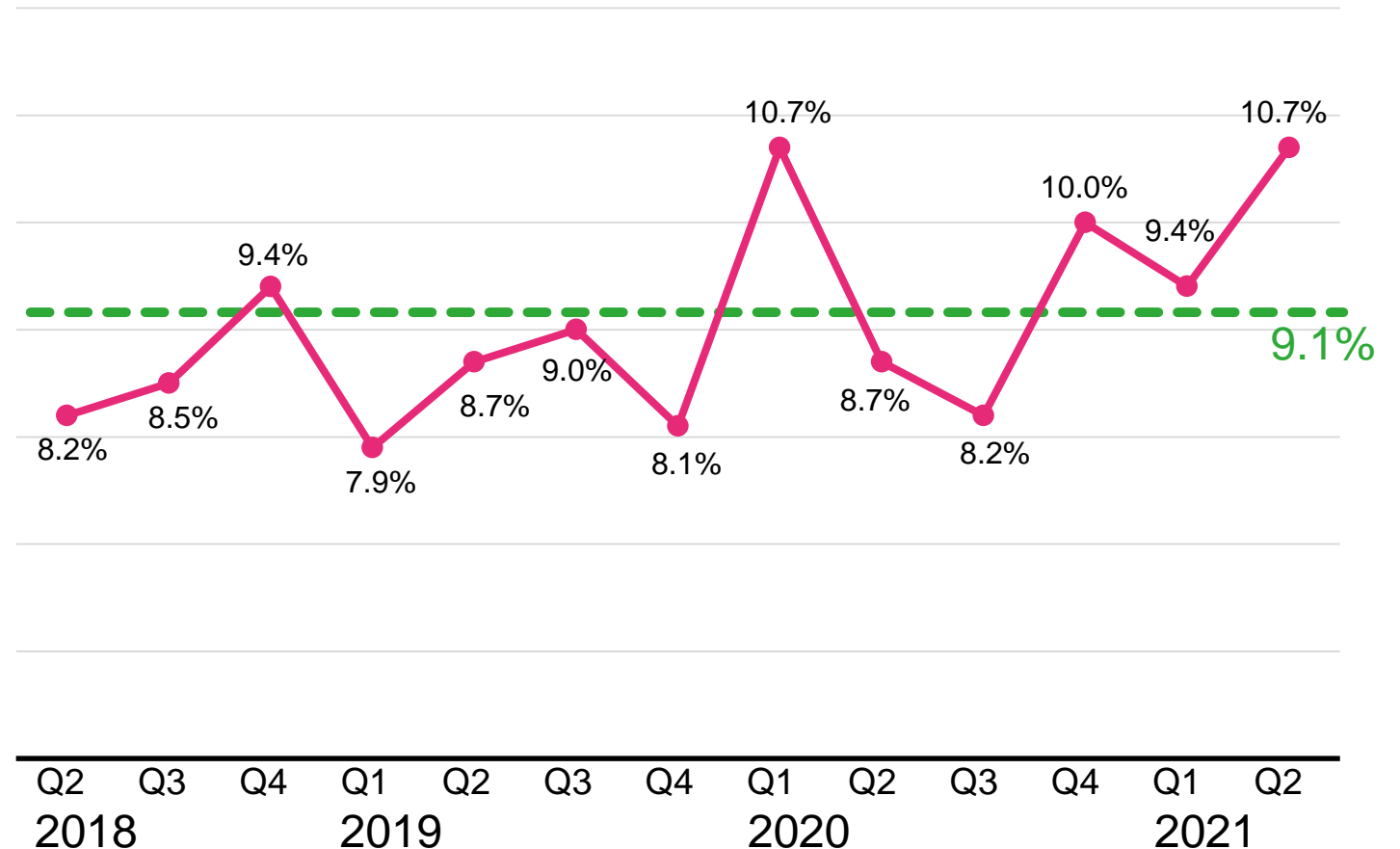




High sports betting margin in Q2 2021

- The sports betting margin in Q2 2021, was 10.7% after free bets
- Q2 margin above long-term average driven by large amounts of upsets across the European football leagues
- The weighted long-term (since Q2 2018) average sports betting margin after free bets is 9.1%
- In recent years, the average sports betting margin has increased due to the fact that the French sports business has grown faster than the average growth for other markets

Sports betting margin after free bets





Regional update

Western Europe

- GWR increasing 73% vs. the same period 2020 driven by strong growth accross all main markets
- France grew by 162% in local currency

Nordics

- GWR increased by 26% compared to Q2 2020
- Denmark grew by 34% in local currency while Sweden grew by 13% in local currency driven especially by sportsbook

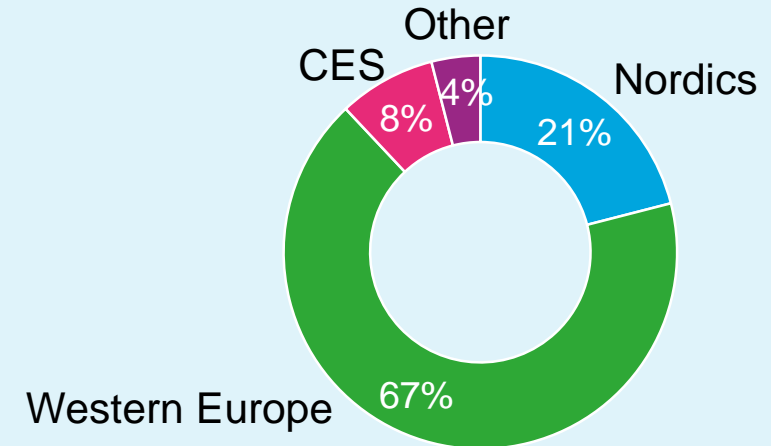
CES

- Q2 2021 GWR increased by 33% vs. same period last year, with Romania as the biggest contributor to the growth

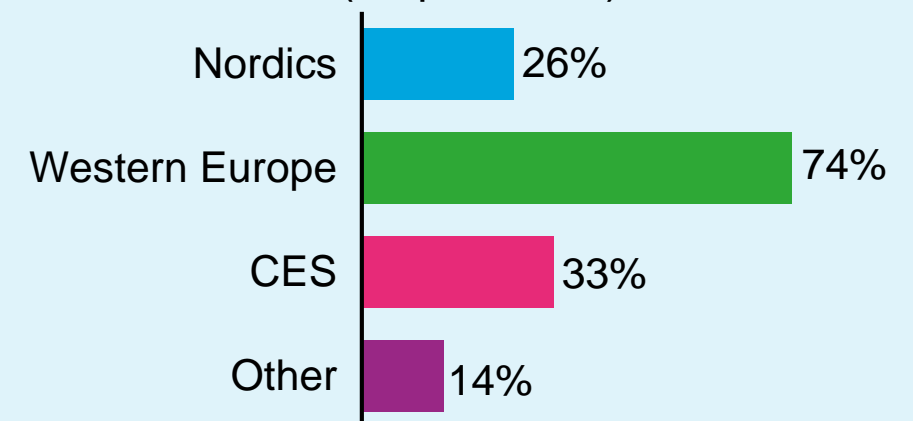
Other

- Other regions GWR grew by 14% driven especially by continued strong performance in Australia

GWR by region Q2 2021



GWR year-on-year growth (as reported in GBP)



We continue to build for the future in the US

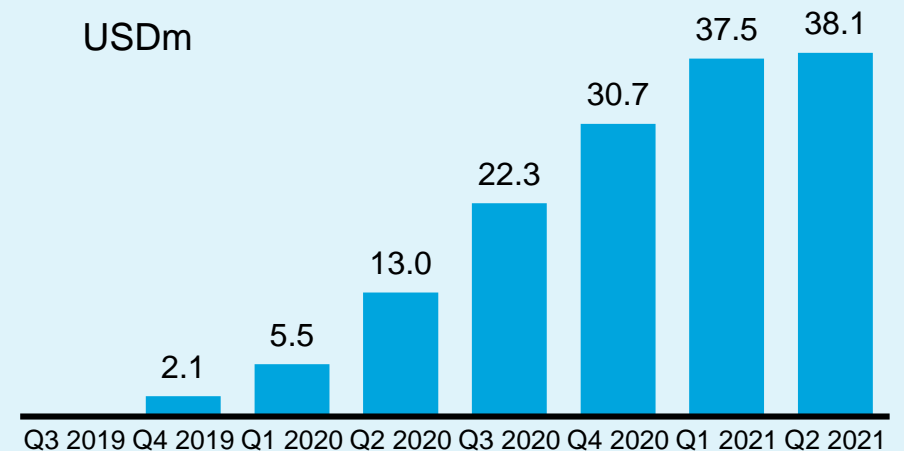


- ▶ GWR amounted to GBP 5.8m in Q2 2021, an increase of approx. 8% from Q2 2020 in local currency
- ▶ The GWR growth was reduced by high bonus uptake. Gross Win (GWR before bonuses) increased by 35% in local currency
- ▶ The growth was driven by significant increase in active customers and in sportsbook revenues
- ▶ Last 12 months GWR contribution from the US amounted to approx. GBP 28m (USD 38.1m)
- ▶ Marketing expenditure reduced sequentially to cater for seasonality in the sports calendar
- ▶ During the quarter Kindred expanded its presence in the US by launching its sportsbook in Virginia
- ▶ Ahead of the start of the NFL season later in Q3, we are now updating our communications concept and marketing mix and working actively to improve the campaign tracking capabilities

US operations Q2 2020, GBPm

GWR	5.8
CoS	-6.0
Marketing	-3.9
Admin expenses	-1.5
EBITDA	-5.6

US LTM GWR development



Well positioned to grow the US to one of our largest markets

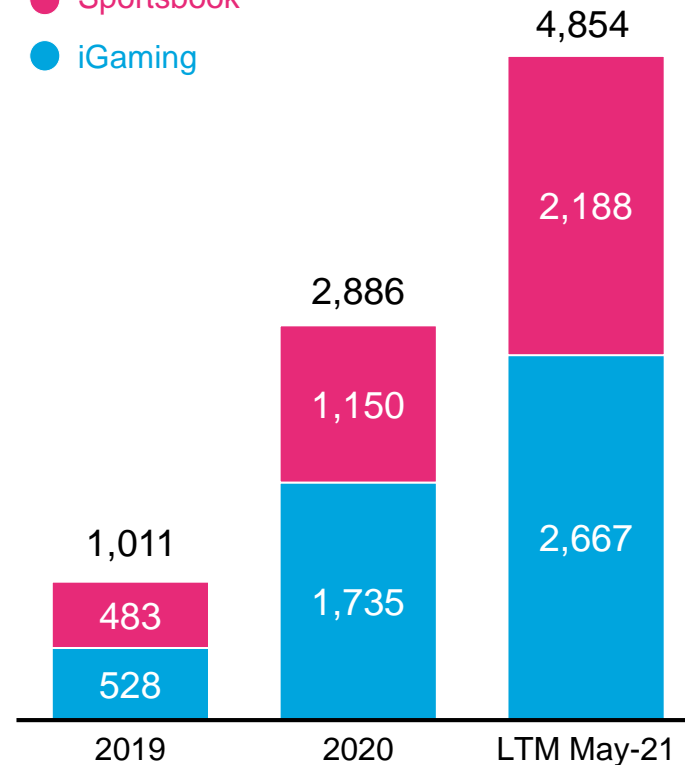


- The initial focus since entering the US market in 2019 has been on launching in our first states and securing market access deals
- We continue to expand our footprint through a selective state-by-state approach with an ambition to go live in two more states during 2021
- The US is still in its early stages, and we are committed to growing the US into one of the largest markets over the next couple of years
- This is a long-term investment where the key milestone for 2022 is to bring the full scope of Kindred's operational & technological capabilities to the US
- Kindred is also exploring opportunities to enter the Canadian market (Ontario) once it opens

The US is one of the largest and fastest growing locally regulated markets in the world

US online market (USDm)

- Sportsbook
- iGaming



Kindred has secured conditional market access to up to 12 states and ambition is to be live in up to 6 states by the end of 2021

State	Partner	Launch date
New Jersey	Hard Rock CASINO	May 2019
Pennsylvania	Mohegan Sun	Nov 2019
Indiana	CAESARS	Jul 2020
Virginia	Virginia Lottery	Apr 2021
Iowa	CAESARS	Exp. Q3 2021
Arizona	GREAT SEAL OF THE STATE OF ARIZONA	Exp. Q3 2021
Illinois	PENN NATIONAL GAMING, INC.	Exp. 2022
Ohio	PENN NATIONAL GAMING, INC.	N/A
California	GREAT SEAL OF THE STATE OF CALIFORNIA	N/A

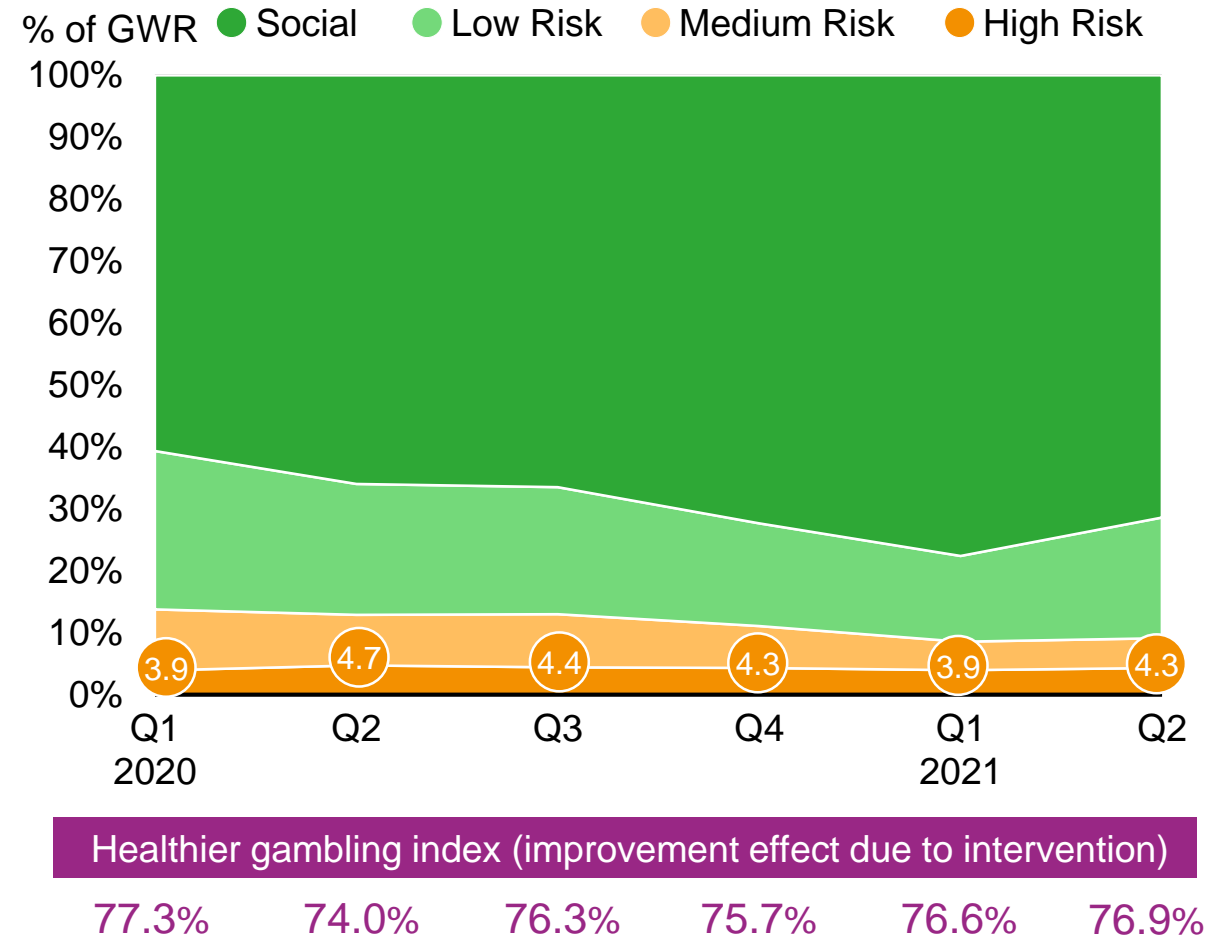
+3 additional states

The journey towards zero is key for sustainable growth



- The journey towards zero per cent of revenue from harmful gambling continues. Data from 19 March 2021 to 19 June 2021:
 - Share of GWR from high-risk players: 4.3%
 - Improvement effect after interventions: 76.9%
- A new three-year research project has been signed with Dr Jonathan Parke to further examine risks related to gambling products
- Kindred offers the Gamban gambling blocking software tool for free to Unibet customers in the US
- The Sustainable Gambling Conference will take place on 5 October. The theme this year is “Safer Gambling: A shared responsibility”

Our journey towards zero





Q2 2021 P&L FX impact v Q2 2020

Avg rate	Q2 2020	Q2 2021	Movement
AUD	1.893	1.816	4.1%
DKK	8.412	8.630	-2.6%
EUR	1.128	1.160	-2.8%
NOK	12.430	11.711	5.8%
SEK	12.025	11.773	2.1%
USD	1.241	1.398	-12.7%

Weighted average impact of FX rates on GWR was a negative impact of approx. 2%

	GBPm
Gross winnings revenue	-6.1
Cost of sales / Opex	4.1
FX gain on operating items	0.6
EBITDA FX impact Q2 2021	-1.4
Other items below EBITDA	0.0
Profit before tax impact Q2 2021	-1.4

A solid start of Q3

- Q3 has started off well with the average daily GWR for the first 18 days in July being 15 per cent (20 per cent in constant currency) higher than the full third quarter 2020
- The growth is against a tough comparable period as Q3 2020 had a very busy sports calendar when the European leagues finalised the season during the summer months and started the next season soon after
- Kindred has built a solid foundation for continued growth based on a record high number of active customers



Q2 2021 summary

Key Report Highlights



Gross winnings
revenue

GBP 363.7m
(+55%)

Locally regulated
share of GWR

GBP 214.6m
(59% of GWR)

Underlying
EBITDA

GBP 114.3m
(+121%)

Share of
GWR from
high-risk
players

4.3%

Free cash flow

GBP 82.1m
(+7.8m)

Active customers

1,907,276
(+45%)

Net cash

GBP 191.5m



Q&A



SUSTAINABLE
GAMBLING
CONFERENCE

SAVE THE DATE

2021 October 5
Online





Contact



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Calendar



27 October 2021

Q3 will be published at 7.30 CET

