KINDRED GROUP PLC

TAX STRATEGY STATEMENT – Financial Year ended 31 December 2018

Background

Kindred Group PLC and its subsidiaries ["Kindred" or "the Group"] is a complex digital entertainment business that operates in a number of different jurisdictions, including the EU (including the UK), Australia and the United States.

The Group has developed very rapidly both as a result of organic growth in our core markets and also as a result of a number of business acquisitions.

Kindred is a Maltese company, listed on Nasdaq Stockholm and so it is subject to Maltese corporate law and Swedish securities law and the Swedish code of corporate governance. The Group has subsidiaries in a number of different jurisdictions, including Malta, Gibraltar, Sweden, the UK, and Australia as well as small representative offices in certain other territories.

As an organisation, Kindred takes our commitment to corporate and social responsibility very seriously. More information regarding our approach to these areas is freely available in our Sustainability Report available at www.kindredgroup.com/sustainability. The Sustainability Report includes statements showing how Kindred seeks to comply with tax laws and undertake tax activities across the business, and this tax strategy aligns to these principles

Online gambling is a highly regulated industry, both as regards gambling licences and other aspects of our care for our customers (such as digital payments, anti-money-laundering rules, data protection etc).

How Kindred manages Tax risks

Kindred follows a standard procedure for the assessment, reporting and mitigation of all material business risks.

Risk governance framework

The Board has overall responsibility for the risk management process and risk governance. The Executive Management team is responsible for identifying, assessing and managing the risks within the Group.

Kindred's internal Tax team, reporting to the Chief Financial Officer, has day-to-day responsibility for the identification and management of Tax risks. They work with external experts in each of the key jurisdictions for the Group to ensure that the following risks are managed effectively:

- Impact of changes in national tax legislation (or interpretation)
- Impact of changes or planned changes in the Group's business operations
- Impact of changes arising as a result of mergers and acquisitions, including due diligence procedures on the potential tax risk of target businesses.

The Risk Management and Internal Audit teams perform reviews of the effectiveness of the risk mitigation controls and, when it is relevant, report the results to the Audit Committee.

Further general information about how Kindred manages all business risks is contained on pages 24-27 of the 2017 Annual Report, which is available at www.kindredgroup.com.

Specific risk management regarding Tax

Kindred operates a complex business in multiple jurisdictions and is therefore subject to a variety of national tax laws and compliance procedures, together with varying approaches taken by different tax authorities towards transfer pricing for cross-border businesses.

In determining the appropriate tax cost in each relevant territory, the Kindred Group aims to be compliant both with local laws and with relevant international frameworks that specify how profits should be allocated in multinational businesses. This includes compliance with the OECD Transfer Pricing guidelines.

Changes to regulatory, legislative and fiscal regimes for betting and gaming in key markets could have an adverse effect on the Group's results and additional costs may be incurred in order to comply with any new laws or regulations. In some territories which have not yet enacted legislation to regulate online gambling, the assessment of betting duties or similar taxes that may be payable is uncertain.

Risk is managed through active management of Group operations. While operations are not driven by tax, the potential impact of taxation is always considered when making major business decisions or changes to the business model.

Kindred's approach to Tax Planning

The Board has the duty to manage and supervise the affairs of the Company in accordance with the Articles of Association of the Company and applicable laws and regulations, in particular the Malta Companies Act (Cap. 386) and the Swedish Corporate Governance Code. The Board is entrusted with the overall direction of the Company, so that the Board bears the collective responsibility for the Company's well-being and for the delivery of sustainable value to the shareholders.

Kindred aims to comply with tax legislation relevant to its business in line with applicable legislation in all territories in which we have operations or customers. Taxation of international digital businesses is complex and Kindred takes expert advice to ensure that we comply in an environment where both national and international tax legislation can be subject to rapid change.

Kindred balances its obligation to pay appropriate taxes in each country in which it has operations or customers with its obligations to shareholders to manage the Group's operations and cost base in a scalable manner, by ensuring that the operating structure is efficient.

The level of Tax risk that Kindred is prepared to accept

A sustainable business is a condition for future success

Kindred operates in a regulated consumer industry, whose very nature dictates that, if you are not able to create long-term sustainable consumer value through good service, fair pricing and operating in a trustworthy manner, your business will struggle to survive in the long run.

Management of Kindred's reputation as a sustainable business is a key element of Kindred's overall business strategy, which means that Kindred does not seek to take an aggressive approach to tax planning.

With the exception of ad hoc or project-based meetings (for example to consider M&A), every Board meeting of Kindred includes a detailed regulatory update from the General Counsel of the Group regarding potential regulatory changes, together with a report from the Chief Financial Officer which may include assessment of any relevant changes in national or international taxes.

How Kindred works with Tax authorities.

The principal responsibility of the Tax team, reporting to the Chief Financial Officer and with assistance from external advisers as required, is to ensure that the Group complies with all tax compliance obligations in all territories in which it operates.

This includes ensuring that tax filings are completed on a timely basis and are accurate.

It also includes managing all correspondence (including tax rulings) and enquiries that may arise with tax authorities and ensuring that appropriate disclosure is made to ensure that the tax treatment of transactions is correct.

In the UK, Kindred is also engaged with its trade association (the Remote Gaming Association) in the recent tax reforms and discussions with HMRC.

Confirmations regarding this Tax strategy

Kindred Group plc considers that the publication of this statement complies with the duty set out in Schedule 19 of the UK Finance Act 2016.

This Tax strategy has been approved by the Board of Directors of Kindred Group plc.

December 2018