

“Strategic value drivers in place and Netherlands off to a flying start”.

Henrik Tjärnström, CEO

## KINDRED GROUP PLC

INTERIM REPORT JANUARY - SEPTEMBER 2022 (UNAUDITED)

### Financial highlights

#### Third quarter 2022

- Total revenue, from both B2B and B2C operations, was GBP 277.8 (298.4) million.
- Gross winnings revenue (B2C) decreased by 9 per cent to GBP 271.9 (298.4) million. Excluding the Netherlands, Gross winnings revenue increased by 8 per cent.
- Underlying EBITDA decreased by 52 per cent to GBP 40.3 (84.8) million.
- Profit before tax was GBP 60.3 (71.8) million, impacted positively by the reassessment of the fair value of the Relax Gaming contingent consideration of GBP 39.6 million. See page 35 for more information.
- Profit after tax was GBP 57.9 (60.6) million.
- Earnings per share were GBP 0.26 (0.27).
- 1,356,205 shares/SDRs were purchased, with a total value of SEK 122.5, or GBP 10.0, million.
- Free cash flow amounted to GBP 49.3 (51.2) million.
- Number of active customers decreased by 16 per cent to 1,466,986 (1,738,504), a decrease of 11 per cent excluding the Netherlands.

#### January - September 2022

- Total revenue, from both B2B and B2C operations, was GBP 763.2 (1,014.7) million.
- Gross winnings revenue (B2C) decreased by 26 per cent to GBP 747.8 (1,014.7) million. Excluding the Netherlands, Gross winnings revenue decreased by 5 per cent.
- Underlying EBITDA decreased by 70 per cent to GBP 90.1 (304.5) million.
- Profit before tax was GBP 74.9 (259.6) million, impacted positively by the reassessment of the fair value of the Relax Gaming contingent consideration of GBP 39.6 million. See page 35 for more information.
- Profit after tax was GBP 70.1 (220.3) million.
- Earnings per share were GBP 0.32 (0.97).
- 4,385,205 shares/SDRs were purchased, with a total value of SEK 422.4, or GBP 33.9, million.
- Free cash flow amounted to GBP 38.7 (223.4) million.

### Key highlights

- Majority of markets showing healthy growth and positive quarterly sequential trends in customer activity ahead of the World Cup.
- Strong performance in the Netherlands, with encouraging customer growth, exclusive games launched, and a positive EBITDA contribution since the first month after launch.
- Important strategic value drivers are in place and financial targets set for 2025.

### Key figures

GBP m	Q3		Jan-Sep		Full year 2021
	2022	2021	2022	2021	
Revenue	277.8	298.4	763.2	1,014.7	1,259.6
EBITDA	76.3	84.1	119.9	296.2	391.1
Underlying EBITDA	40.3	84.8	90.1	304.5	332.1
Profit before tax	60.3	71.8	74.9	259.6	338.4
Profit after tax	57.9	60.6	70.1	220.3	295.3
Earnings per share (GBP)	0.26	0.27	0.32	0.97	1.31
Net cash / EBITDA, rolling 12-month basis	0.26	0.52	0.26	0.52	0.22
Free cash flow	49.3	51.2	38.7	223.4	231.1
Active customers (No.)	1,466,986	1,738,504			

## CEO comment

### Strategic value drivers in place and Netherlands off to a flying start

At the start of the third quarter, we were finally able to welcome Dutch residents to our Unibet.nl site, following a nine-month period of not accepting bets from the Netherlands. Thanks to our strong brand awareness, unique product offerings, and an excellent team, we are off to a flying start. Like the Netherlands, most of our markets are displaying solid performances. This has significantly improved our underlying EBITDA margin and free cash flow when compared to the second quarter of 2022, which is a good indicator of our scalable business model.

#### Encouraging activity across all product segments ahead of the World Cup

Following a slow start to the quarter, due to a seasonally tame sports calendar in July, activity increased rapidly as football leagues resumed in early August. This is encouraging as we have the World Cup in Qatar taking place in November and December. Activity has been high across markets with Gross winnings revenue excluding the Netherlands increasing by 8 per cent compared to the same period last year. The sports betting margin came in at 9.9 per cent after free bets, higher than the same period last year and above the long-term average margin.

The casino segment has also performed well, despite tough comparatives. Excluding Netherlands, casino Gross winnings revenue grew 9 per cent compared to the third quarter of 2021. It is also great to see several new exclusive casino games being offered in the Netherlands, which will help us gain a strong market position. As the World Cup approaches, we expect the fourth quarter to be a very busy one for both sports betting and casino.

#### The Netherlands is exceeding our expectations

The quarter saw 1.47 million active customers for the Group, a decrease of 16 per cent compared to the third quarter last year. Despite the Netherlands being live and showing strong growth, it is important to remember that the third quarter comparatives included the final stages of the Euro 2020 tournament and actives from the Netherlands prior to our temporary market exit. Since

launching in the Netherlands on 4 July until the quarter end, active customers for the Dutch market have grown to 137 thousand. Based on this momentum, we estimate to achieve a 15 per cent market share in the Netherlands in the fourth quarter.

#### Signs of improved profitability and scalability

As previously communicated and as expected during a re-regulation process, we will gradually absorb the margin pressures resulting from the Dutch re-regulation. For the third quarter of 2022 we achieved underlying EBITDA of GBP 40.3 million, and an underlying EBITDA margin of 15 per cent. This improvement from the second quarter of 2022 is supported by Relax Gaming's continued solid development, with quarterly sequential revenue growth of 19 per cent before eliminating Kindred revenues. I am confident we have now passed the worst in terms of underlying EBITDA margin, with the third quarter already showing significant improvements compared to previous quarters. This is a step in the right direction towards our underlying EBITDA margin target of 21 to 22 per cent in 2025.

#### New financial targets set out our ambitions for coming years

In mid-September we hosted a Capital Markets Day in London. During the day we gave a detailed update on our strategic agenda and how we will create value for shareholders in the years to come. Important strategic value drivers include our Proprietary Sportsbook (KSP), the acquisition of Relax Gaming last year, as well as ensuring we claim market leadership in the Netherlands and become a top ten operator in selected states in North America. More details about the Capital Markets Day can be found on [www.kindredgroup.com](http://www.kindredgroup.com). To underpin our growth agenda, the Board also decided to communicate financial targets for 2025, focusing on:

- Revenue above GBP 1.6 billion
- Underlying EBITDA margin of 21 to 22 per cent
- Distribution policy of around 75 to 100 per cent of free cash flow (after M&A activities)

I am very pleased that we have set these financial targets and have all our strategic value drivers in place.

### Increased sustainability initiatives continue to lower risk in our customer database

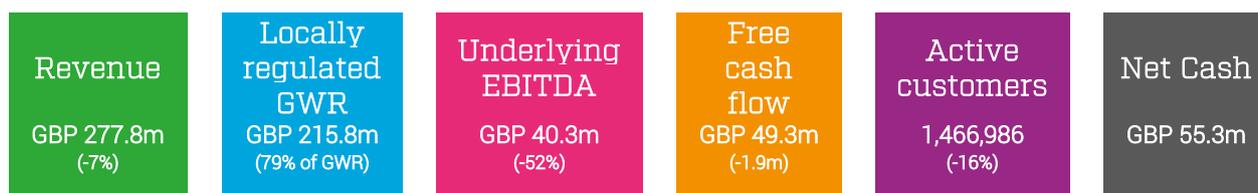
We continue to await the UK Gambling Act Review, which is delayed due to the governmental changes in the UK. While we expect increased affordability requirements, we remain positive on the clarity of future regulations and believe that enhanced sustainability measures will benefit our operations in the long term as risk levels will decrease. We also see this in our journey towards zero initiative where the long-term trend in Gross winnings revenue from high-risk customers is reducing. During the quarter, however, 3.8 per cent of our Gross winnings revenue came from high-risk customers, an increase when compared to 3.3 per cent in the second quarter.

### Looking forward to the World Cup despite uncertain times

Although we still do not see any tangible indicators of macro-economic pressure, the current geopolitical insecurity continues to create uncertainty across markets and industries, and we continue to closely monitor these developments.

We now look forward to a very exciting fourth quarter, with the Football World Cup taking place between 20 November and 18 December. The World Cup tournament is always a great opportunity for customer acquisition and reactivation, which normally means very high activity levels at the end of the tournament.

Henrik Tjärnström, CEO



## Significant events

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### During the quarter

- On 4 July 2022, Kindred launched its operations in the Dutch market, after being granted a licence by the Dutch Gambling Authority, Kansspelautoriteit (KSA), on 8 June 2022. This is Kindred's twentieth local licence and represents an important step in the Group's ambition to increase its share of profits from locally regulated markets.
- On 14 September 2022, Kindred held its Capital Markets Day in London. Members of Kindred's management team presented the Group's strategic direction, markets, products, and financial performance to investors, financial analysts, and media who attended the event. In connection with this, Kindred presented financial targets for 2025, being revenue of above GBP 1.6 billion, an underlying EBITDA margin of 21 to 22 per cent and a distribution policy of approximately 75 to 100 per cent of free cash flow (after M&A activities).
- During the quarter, under the buy-back mandate received at the Extraordinary General Meeting (EGM) on 10 June 2022, 1,356,205 shares/SDRs were purchased, with a total value of SEK 122.5, or GBP 10.0, million. At 30 September 2022, the total number of issued shares in the company was 230,126,200 and Kindred's holding of its own shares was 11,322,679. The intention of the Board is to cancel repurchased shares not required for the Group's employee share schemes, with approval already obtained from the shareholders at the EGM in June 2022.

### After the end of the quarter

- During the third quarter the Norwegian Gambling Authority (NGA) issued a decision against Trannel International Limited (Trannel), a wholly owned subsidiary of Kindred, according to which a penalty of ~NOK 1.2 million per day will start to accrue as from 5 October 2022 unless Trannel complies with a cease-and-desist order from April 2019. The penalty was first communicated to Trannel in February 2022 as a remedy to enforce the cease-and-desist order. Trannel contests the legality of the cease-and-desist order and the decision to impose the penalty, whilst also questioning its enforceability due to the inherent incompatibility of the Norwegian regime with EEA law. As a result, Kindred has therefore appealed against both these decisions. On 7 October 2022, the NGA decided to pause the penalty as Trannel is in the process of making certain adaptations to its international websites as requested by the NGA.
- On 19 October 2022, Kindred hosted its seventh consecutive Sustainable Gambling Conference in Amsterdam, with over 250 guests attending in person and a further 250 online.
- On 24 October 2022, Kindred continued its expansion in North America by announcing that it had signed an agreement with the Swinomish Tribe in Anacortes, Washington. Pending licence and regulatory approvals the Unibet & Swinomish Sportsbook will be launched at the Swinomish Casino & Lodge. The initial phase of the agreement spans for six years, with the possibility of extending for an additional five-year term.
- On 25 October 2022, Kindred published its latest report on its share of revenue from high-risk customers, as part of its "journey towards zero". For the third quarter of 2022, this was 3.8 per cent. As previously reported, for the second quarter of 2022 this was 3.3 per cent.

## Trading update

The average daily Gross winnings revenue for the Group, up to and including 23 October 2022, was GBP 3.3 million, 27 per cent (25 per cent in constant currency) higher than the daily average for the full fourth quarter of 2021. The average daily Gross winnings revenue for the Group excluding the Netherlands, up to and including 23 October 2022, was GBP 2.8 million, 6 per cent (5 per cent in constant currency) higher than the daily average for the full fourth quarter of 2021.

## Customer activity (B2C)

The number of registered customers across the business increased to 33.2 million at 30 September 2022, while at 30 June 2022 over 32.6 million customers were registered.

For the third quarter of 2022, the number of B2C active customers amounted to 1,466,986 (1,738,504), a 16 per cent decrease compared to the third quarter of 2021 but a 10 per cent increase compared to the second quarter of 2022. Since the launch on 4 July, active customers for the Dutch market amounted to 136,543 (244,913). This amounts to 56 per cent of the number of actives during the third quarter of 2021, which was the last quarter before the Group temporarily ceased providing services to Dutch residents. Excluding the Netherlands, the number of active customers decreased by 11 per cent compared to the third quarter of 2021, largely due to the latter stages of the Euro 2020 tournament boosting activity in July 2021.

The trend in the number of active customers can be seen in the graph below, with an active customer defined as one placing a bet in the last three months.



# 1,466,986

Active customers for Q3 2022

# -16%

Active customer decline from Q3 2021

# +10%

Active customer increase from Q2 2022

## Financial review

### Revenue

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Gross winnings revenue (B2C)	271.9	298.4	747.8	1,014.7	1,255.2
Other revenue (B2B)	5.9	-	15.4	-	4.4
<b>Revenue</b>	<b>277.8</b>	<b>298.4</b>	<b>763.2</b>	<b>1,014.7</b>	<b>1,259.6</b>

Total revenue for the third quarter of 2022 amounted to GBP 277.8 (298.4) million and for the period January to September 2022 was GBP 763.2 (1,014.7) million. Included within this total is Gross winnings revenue for the Group's B2C business, and other revenue from its B2B business, Relax Gaming. For explanation of variances to the comparative periods in the prior year refer to the relevant sections on the following pages, and for further analysis of these numbers refer to page 37 and note 5 on pages 31 and 32.

GBP

# 277.8m

Total revenue for Q3 2022

# -7%

Total revenue decline from Q3 2021 (-7% in constant currency)

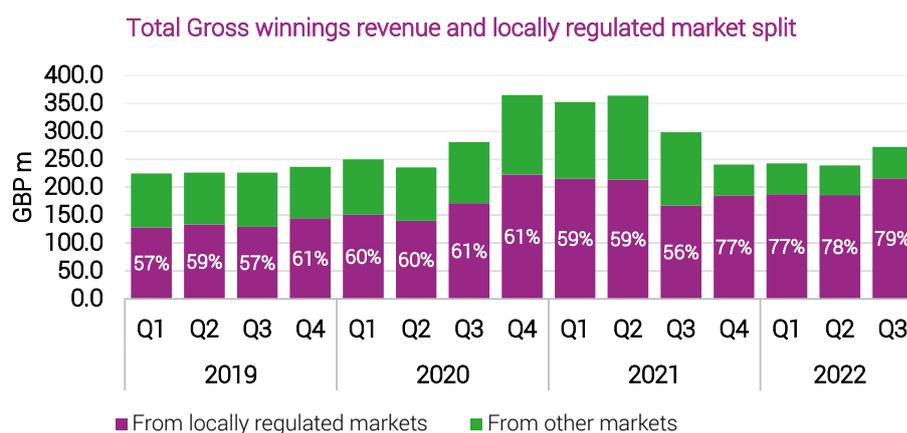
### Gross winnings revenue (B2C)

Gross winnings revenue for the third quarter of 2022 amounted to GBP 271.9 (298.4) million, declining by 9 per cent (9 per cent in constant currency) from the same period in the prior year. Gross winnings revenue for the period January to September 2022 amounted to GBP 747.8 (1,014.7) million declining by 26 per cent (25 per cent in constant currency) from the same period in the prior year.

On 4 July 2022, the Group launched into the Dutch market under its newly acquired licence. Having not been accepting bets from the Netherlands prior to this date in 2022, this is the primary reason for the decline for the period January to September 2022 when compared to the same period in 2021. For the third quarter of 2022, despite performance in the Netherlands being ahead of expectations since the launch date, the corresponding decline compared to the same period of the prior year is also expected as the Group starts to rebuild its business in the market.

Excluding the impact of the Netherlands, Gross winnings revenue for the third quarter of 2022 increased by 8 per cent (8 per cent in constant currency) from the same period in the prior year. The increase can be attributed across the Group’s other markets and is a testament to its balanced portfolio and underlying business growth, with more detail on individual markets found in the following section.

Gross winnings revenue from locally regulated markets is shown in the graph below. The percentage, as a proportion of total Gross winnings revenue, can naturally vary slightly between quarters due to marginal variances in market performances. For the third quarter of 2022, the percentage has increased slightly from the second quarter of 2022 but, overall, remains in line with the previous three quarters since it increased significantly following the decision to temporarily cease activity from the Dutch market. This higher level will be maintained following the launch into the Dutch market, with the Group expecting to increase Gross winnings revenue from locally regulated markets going forward, maintaining its ambition to be a locally regulated operator and to generate sustainable profits.



More information on Gross winnings revenue, split by both region and product segment, is provided on the following pages and in the appendix on pages 38 and 39.

GBP

**271.9m**

Gross winnings revenue for Q3 2022

**-9%**

Gross winnings revenue decline from Q3 2021 (-9% in constant currency)

**+8%**

Gross winnings revenue, excluding the Netherlands, increase from Q3 2021 (+8% in constant currency)

**79%**

Gross winnings revenue from locally regulated markets for Q3 2022

## Gross winnings revenue by region

### Western Europe

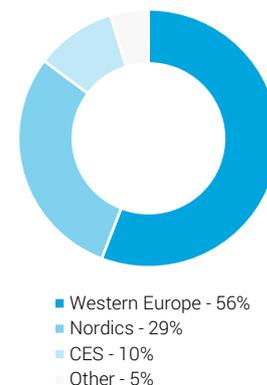
Gross winnings revenue amounted to GBP 151.8 (189.6) million for the third quarter of 2022, a decrease of 20 per cent from the same period in 2021. Kindred received confirmation of its Dutch licence in June and launched into the regulated market on 4 July 2022. While this launch has performed better than expected, the contribution from the Netherlands in the third quarter of 2022 was still lower than during the comparative period in 2021 as we continue to rebuild activity in the market. Average daily Gross winnings revenue from the Netherlands continued to develop throughout the quarter, with the second-half average at approximately GBP 0.5 million whilst the daily average since launch was GBP 0.4 million. Excluding the Netherlands, Western Europe Gross winnings revenue for the third quarter increased by 6 per cent compared to the same period in 2021. Such growth was achieved across both sports betting and casino products. This was particularly positive for sports betting given the comparatives were boosted by the results of the Euro 2020 tournament. France and the UK have both performed well against the prior year, as we saw COVID trading conditions start to normalise in the comparatives and additional consistent processes applied for affordability.

Compared to the equivalent period in 2021, UK Gross winnings revenue saw an increase of 10 per cent in the third quarter of 2022. Changes were made to affordability processes in the second half of 2021, which were in line with the wider industry, and these has further evolved in the third quarter of 2022. This quarter presents the first period of lapping more comparative operating conditions, both from a COVID-19 and an affordability perspective. It is therefore encouraging to see the UK business return to year-on-year growth during the quarter. Despite revenue headwinds in the top-depositing segments, there is strong momentum across the rest of the customer base. Bonus spend has reduced by 32 per cent in the third quarter of 2022 compared to the third quarter of 2021, with continued focus on a more targeted approach for customer reward, and Gross win margins have significantly improved across both sports betting and casino products. The current affordability framework in the UK now includes all customers receiving a monthly and annual spend limit based on their affordability score, with customers showing a red flag indicator for financial stress being blocked completely. On top of this, Kindred's player detection system (PS-EDS) continues to ensure a behavioural approach to enabling safer play. It is important to highlight that the measures implemented offer customers increased protection and ensure the player base is developing sustainably. As a result, the revenues generated in recent quarters are both of greater quality and more sustainable than those of a couple of years ago.

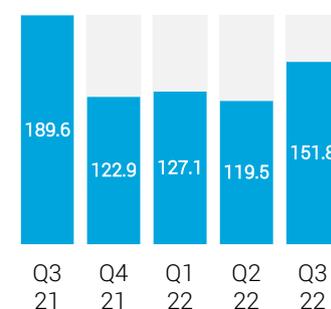
Belgium Gross winnings revenue declined by 16 per cent in local currency in the third quarter of 2022, compared to the equivalent period in 2021. Performance against the prior year was materially impacted by Euro 2020 activity in the 2021 comparative period, where the Belgian national team progressed to the Quarter-final rounds at the start of July. This meant 2022 saw weaker activity at the start of the third quarter compared to 2021, with further impact on Gross winnings revenue coming from the comparatively strong betting margin seen last year.

In France, Gross winnings revenue in the third quarter of 2022 increased by 24 per cent in local currency compared to the third quarter of 2021, despite the Euro 2020 tournament being included in the 2021 comparative. Sports betting turnover in the third quarter of 2022 was in line with that of the same period in 2021, with a solid increase noted in the live betting segment. The growth in Gross winnings revenue was therefore achieved predominantly through more favourable sports betting margins and a strong increase in new depositing customers.

GWR by region (Q3 2022)



Western Europe GWR (GBP m)



### Nordics

Nordic Gross winnings revenue amounted to GBP 78.3 (69.8) million for the third quarter of 2022, an increase of 12 per cent from the equivalent period in 2021. Casino Gross winnings revenue continued to perform very well, growing year-on-year across all markets within the segment while sports betting, supported by improved margins across all markets, also grew. Sequentially, all markets in this segment performed well in the third quarter of 2022 as a result of seasonality and expected quarterly development.

Gross winnings revenue in Sweden for the third quarter of 2022 increased 29 per cent in local currency compared to the same period in 2021. Both sports betting and casino performed strongly, but there was particularly strong development in the casino segment with casino Gross winnings revenue growing 38 per cent in local currency compared to the third quarter of 2021. Temporary COVID-19 restrictions were lifted in November 2021 which continues to distort performance compared to the previous year comparative.

Compared to the same period in 2021, Gross winnings revenue in Denmark increased 8 per cent in local currency in the third quarter of 2022. Casino was the main contributor to the growth seen in the market with the number of casino active customers in the third quarter of 2022, increasing by 29 per cent for the Unibet brand and 23 per cent for the Maria brand when compared to the same period in 2021.

### Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 27.5 (25.6) million in the third quarter of 2022, an increase of 7 per cent compared to the equivalent period in 2021.

Romania continues to make up a significant portion of revenues in this segment, reporting an increase of 3 per cent in local currency in the third quarter of 2022 compared to the third quarter of 2021. Casino continued to drive the growth in the market with the number of casino active customers increasing by 18 per cent in the third quarter of 2022 compared to the third quarter of 2021. Gross winnings revenue from the VladCazino brand increased by 35 per cent in local currency in the third quarter of 2022 compared to the same period in 2021.

Good development was also noted in Italy in the third quarter of 2022 compared to the equivalent period in 2021 with Gross winnings revenue increasing by 30 per cent in local currency. The growth is due to solid performance within sports betting and improved efficiency of bonus spend.

### Other regions

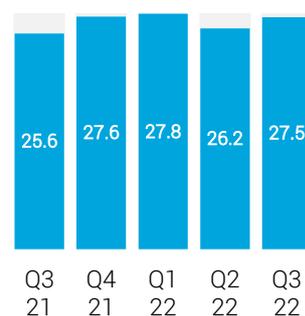
Other regions Gross winnings revenue amounted to GBP 14.3 (13.4) million for the third quarter of 2022, an increase of 7 per cent from the same period in 2021. This is predominantly through improved performance for sports betting which has increased by 30 per cent in the third quarter of 2022 compared to the same period in 2021. Gross winnings revenue in Australia has increased by 8 per cent in local currency in the third quarter of 2022 compared to the same period in 2021.

Gross winnings revenue for the North American market amounted to GBP 7.8 (6.8) million in the third quarter of 2022, a decrease of 3 per cent in constant currency compared to the third quarter of 2021, however an increase of 8 per cent compared to the second quarter of 2022. Since the second quarter of 2022, the numbers for the North American market include the total of both the US and Canadian markets and comparatives have been updated to reflect this.

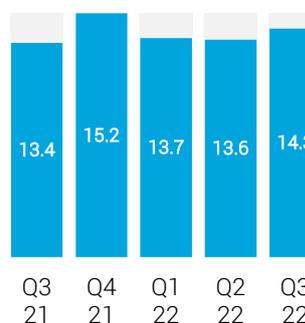
Nordics GWR (GBP m)



Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)



Within the licensed North American market (which primarily excludes Ontario prior to local regulation when compared to the total North American market numbers above), the Group saw an increase in Gross winnings revenue of 7 per cent in local currency in the third quarter of 2022 compared to the same period in 2021. This growth is driven by the development in total activity, with quarterly actives improving 11 per cent compared to the same period in 2021. The launch in Ontario in the second quarter of 2022 took Kindred's footprint in North America to 7 states (or provinces), with retail presence in two of those, being Pennsylvania and Arizona. This compares to 6 active states in the third quarter of 2021, although Iowa and Arizona did not have a full quarter of activity. In its first full quarter of operation, Ontario continues to see good development, contributing over 10 per cent to licensed Gross winnings revenue in North America in the third quarter of 2022.

## Gross winnings revenue by product segment

### Sports betting

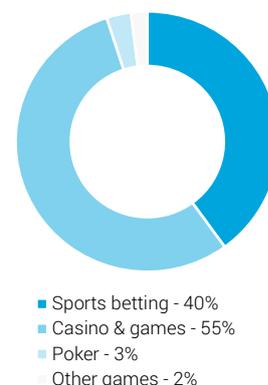
Group sports betting Gross winnings revenue saw a decline of 6 per cent in the third quarter of 2022 when compared to the third quarter of 2021. Excluding the Netherlands, sports betting Gross winnings revenue increased by 9 per cent in the third quarter of 2022 when compared to the third quarter of 2021. Whilst the Netherlands performed strongly against internal expectations, there is still negative impact on the year over year comparison given the launch which followed 9 months of ceased activity and increased competition in the market. France is the biggest contributor to Group growth in sports betting Gross winnings revenue excluding the Netherlands, when comparing the third quarter in 2022 to the third quarter in 2021. Sports betting Gross winnings revenue saw good quarterly sequential development, increasing by 11 per cent including the Netherlands. Excluding the Netherlands, quarterly sequential sports betting Gross winnings revenue remained flat.

Sports betting turnover saw a decline of 17 per cent in the third quarter of 2022 compared to the third quarter of 2021. Excluding the Netherlands, sports betting turnover reduced by 9 per cent in the third quarter of 2022 compared to the same period in 2021. The 2021 comparative included the conclusion of the Euro 2020 tournament, and this presents the biggest distortion when comparing Sport betting turnover year-on-year. Sports betting turnover for Group excluding Netherlands in the third quarter of 2022 would be 6 per cent lower than the third quarter of 2021 if excluding Euro 2020 activity. There is also some natural negative impact on sports betting turnover due to improved sports betting margins.

The gross margin for total sports betting for the third quarter of 2022 before free bets was 11.2 (10.1) per cent and after free bets was 9.9 (8.7) per cent, ahead of the Group's long-term average sports betting margin of 9.4 per cent after free bets. In recent years, the typical average sports betting margin for the Group has increased because of market and product mix. France has a higher sports betting margin than the Group average, since there is a requirement to cap pay-out to customers at 85 per cent, and therefore its sports betting turnover has a significant impact on the Group's sports betting margin. The sports betting margin is also impacted by product mix with pre-match and racing products trading at a higher margin than live betting. In general, sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. It is expected that over time these margins will even out. This can be seen in the graph on the following page.

Kindred's proprietary racing product contributed 6 per cent to total sports betting Gross winnings revenue in the third quarter of 2022, compared to 6 per cent in the third quarter of 2021.

GWR by product (Q3 2022)



## 9.9%

Sports betting margin after free bets for Q3 2022, higher than the long-term average of 9.4%

## -6%

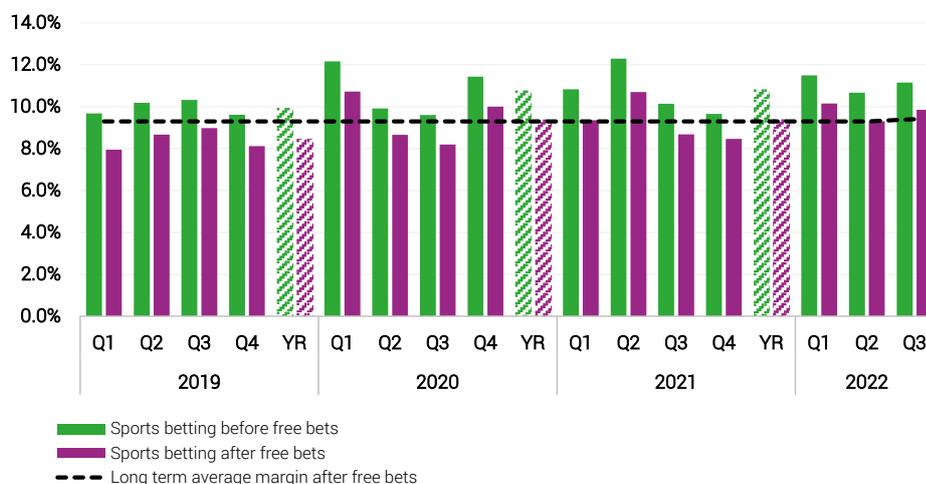
Sports betting Gross winnings revenue decrease from Q3 2021

## +9%

Sports betting Gross winnings revenue, excluding the Netherlands, increase from Q3 2021

The bars show total sports betting gross margin by quarter and full year. Please refer to page 39 for more information on sports betting margins.

Gross margin on sports betting



Casino & games

Gross winnings revenue for casino and games during the third quarter of 2022 is 11 per cent lower than the same quarter of the previous year while actives are 11 per cent lower. When excluding the Netherlands, casino Gross winnings revenue and actives are 9 per cent higher and 3 per cent lower than the previous year’s quarter respectively.

The Dutch market has performed well during its first quarter back in activity with a strong and diverse product portfolio. The Dutch live casino product now includes two new dedicated studios and two exclusive games aimed to continuously improve customer experience. The plan is to continue to expand our content portfolio in this market with more casino game providers content returning to the market during the next quarter.

With the Christmas period coinciding with a Winter World Cup, we are expecting next quarter to be a strong performing quarter for the casino product.

-11%

Casino & games Gross winnings revenue decrease from Q3 2021

+9%

Casino & games Gross winnings revenue, excluding the Netherlands, increase from Q3 2021

Poker and other products

Gross winnings revenue from poker and other products during the third quarter of 2022 amounts to GBP 13.5 million, a decrease of 5 per cent when compared to the same period in 2021. Poker gross winnings revenue has seen strong growth during this quarter exceeding the same period last year by 7 per cent while poker actives have increased 1 per cent when comparing to the same period last year. This is encouraging considering that the Netherlands only resumed activity in July 2022. Bingo Gross winnings revenue and actives are 19 per cent and 11 per cent lower than the same period last year which is mainly due to the 42 per cent and 28 per cent lower Gross winnings revenue and actives in the Netherlands when compared to the same period last year.

To continue improving the product offering and customer experience, during this quarter, new innovative features have been added to poker games and a new game has been released for bingo, together with new onsite lobbies launched across all bingo brands. The strong live poker trend continues during this quarter with online qualifiers performing above expectations resulting in an all-time high player count in two poker tournaments.

-5%

Poker and other products Gross winnings revenue decrease from Q3 2021

+3%

Poker and other products Gross winnings revenue, excluding the Netherlands, increase from Q3 2021

## Other revenue (B2B)

Other revenue includes solely revenue from the Relax Gaming B2B business acquired by the Group on 1 October 2021. Other revenue included in the condensed consolidated income statement includes only revenue generated by Relax Gaming from all gaming operators excluding Kindred Group. This revenue is generated through their aggregator business and by offering their own content to a wide portfolio of operators.

During the third quarter of 2022, other revenue amounted to GBP 5.9 million which is 13 per cent higher than the second quarter of 2022. Relax Gaming's total revenue for the quarter, before the elimination of Kindred Group revenues, amounted to GBP 8.9 million and was 19 per cent higher than the second quarter of 2022. This is partly attributable to the successful launch of the Dream Drop jackpot feature launched in May 2022. This feature continues to grow in popularity across all Relax Gaming operators resulting in all games with this feature being in the top performing games this quarter. A Dream Drop marketing campaign has been launched in September which is expected to push these jackpot slots further during the next quarter. The biggest game release of the year, Money Train 3, was also successfully launched at the end of September and is expected to help drive growth in the fourth quarter.

During the third quarter, Relax Gaming signed deals with 13 new operators and 182 supplier partner-to-operator deals, the latter relating to operators connecting to third party providers using the Relax Gaming platform.

During the third quarter of 2022 an amount of GBP 39.6 (EUR 44.8) million has been released from the total contingent consideration balance previously recognised at the Relax Gaming acquisition date primarily based on assessment of performance for the 2021 financial year. Relax Gaming has been performing and growing well during 2022 and this assessment is based on Relax Gaming not significantly overperforming against the ambitious targets agreed at acquisition date for both 2021 and 2022, rather than a reflection of ongoing performance. For more detail, please see note 14 on page 35.

## Group costs and profitability

### Cost of sales

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Betting duties	-70.3	-50.5	-189.5	-196.8	-255.3
Marketing revenue share	-9.7	-12.4	-31.9	-41.4	-52.0
Other cost of sales	-43.8	-50.5	-122.5	-160.3	-198.7
<b>Cost of sales</b>	<b>-123.8</b>	<b>-113.4</b>	<b>-343.9</b>	<b>-398.5</b>	<b>-506.0</b>

Cost of sales movements generally correlate directly with movements in revenues, with betting duties and marketing revenue share relating solely to the Group's B2C operations. For the third quarter of 2022, however, with the return of Dutch revenues and entrance into the newly licenced Dutch market, betting duties have increased significantly in absolute terms from the same period in the prior year, and sequentially from the previous quarter as expected. Betting duties as a percentage of the Group's Gross winnings revenue can vary between quarters, in line with market mix. When compared to the third quarter of 2021, the percentage has of course significantly increased because of betting duties now being paid on Dutch revenues and this naturally puts pressure on gross profit margins, as seen below. However, as usual with entrance into newly regulated markets, we expect to achieve a stable margin in the long-term, despite these short-term pressures.

GBP

5.9m

Other revenue for Q3 2022

+13%

Other revenue increase from Q2 2022

Marketing revenue share and other cost of sales for the third quarter have, as a percentage of revenue, dropped when compared to the same period of the prior year and sequentially. In both areas this has been supported by a drive for efficiencies, with affiliate costs within marketing revenue share having been a key focus during the quarter.

## Gross profit

Gross profit for the third quarter of 2022 was GBP 154.0 (185.0) million, and for the period January to September 2022 was GBP 419.3 (616.2) million, decreases of 17 and 32 per cent from the same periods in 2021 respectively and driven by the movements in revenue and cost of sales, as previously explained. Gross profit margin for the quarter has remained in line with the previous quarter but has decreased significantly from the same period in the prior year as a result of betting duty pressures, explained above within the cost of sales section.

# 55%

Gross profit margin in Q3 2022 (compared to 62% in Q3 2021 and 55% in Q2 2022)

## Marketing costs

Marketing costs amounted to GBP 53.0 (55.1) million for the quarter, up from GBP 50.1 million in the second quarter of 2022. The increase from the second quarter of 2022 is primarily driven by additional costs following the launch into the Dutch market during the quarter, as well as sports seasonality with key leagues kicking off across the world. When compared to the same period of the prior year, the comparatives are still impacted by the increased marketing around the Euro 2020 tournament in the prior year. Marketing costs for the period January to September 2022 were GBP 160.1 (175.6) million and, on top of the distortion of the comparatives from the Euro 2020 tournament in the prior year, have also decreased as a result of the continued drive for efficiencies across the Group's marketing costs.

Marketing for the B2C business (including marketing revenue share within cost of sales) as a percentage of Gross winnings revenue is a key performance indicator for the Group's B2C business. Following a significant increase in the last three quarters following the loss of Dutch revenues, this metric has now normalised to 23 (23) back in line with the same period in 2021.

# 23%

B2C marketing, as a percentage of Gross winnings revenue for Q3 2022

## Administrative expenses

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Salaries	-37.7	-28.4	-105.2	-86.4	-117.5
Other operating expenses	-23.0	-16.7	-63.9	-49.7	-69.3
Depreciation of property, plant and equipment	-3.6	-3.8	-10.8	-11.0	-14.8
Depreciation of right-of-use assets	-3.0	-2.7	-8.9	-8.1	-11.1
Amortisation of intangible assets	-7.8	-5.2	-22.0	-15.3	-23.0
<b>Total administrative expenses</b>	<b>-75.1</b>	<b>-56.8</b>	<b>-210.8</b>	<b>-170.5</b>	<b>-235.7</b>

As can be seen in the graph "Expenses as a % of revenue (LTM)", these metrics have continued to increase over the previous four quarters. The metric is significantly impacted by the decline in revenues from the Netherlands, however, administrative expenses have also been increasing over the same period. The acquisition of Relax Gaming caused a steeper increase between the third and fourth quarters of 2021, with the increase since then being a result of COVID-19 normalisation and the Group's continued selective investments, in line with its strategy, in the North American market and the Kindred Sportsbook Platform. The Group continues to maintain focus on the optimisation of its operating expenditure.

Expenses as a % of revenue (LTM)



The increase in salaries in the third quarter of 2022 when compared to the same period in 2021 is partly due to additional headcount from the acquisition of Relax Gaming on 1 October 2021, which amounts to an impact of approximately GBP 2.8 million. Continued selected growth in headcount, focused on the strategic areas noted above, where we expect to see future benefit have also been a key driver of the increase. When compared to the second quarter of 2022, salaries have increased by GBP 3.2 million which is attributable to both headcount growth and higher variable compensation.

Other operating expenses for the quarter increased by GBP 6.3 million from the same period in 2021. Additional costs following the acquisition of Relax Gaming have contributed to this growth, as well as anticipated growth in the underlying business and continuing COVID normalisation. The Group's selective investments include an increase in consultants to drive the above strategic projects, and the increase in headcount, noted above, also drives a corresponding increase in other operating expenses (for example office and travel related costs).

The increase in amortisation of intangible assets in the third quarter and period from January to September 2022 compared to the same periods in 2021 is primarily the result of additional amortisation charges following the acquisition of Relax Gaming in October 2021. Total amortisation of intangible assets that arose on acquisitions amounted to GBP 2.5 (0.3) million for the third quarter of 2022 and GBP 7.4 (0.8) million for the period January to September 2022.

## Underlying EBITDA

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
<b>Gross profit</b>	<b>154.0</b>	<b>185.0</b>	<b>419.3</b>	<b>616.2</b>	<b>753.6</b>
Marketing costs	-53.0	-55.1	-160.1	-175.6	-234.7
Salaries	-37.7	-28.4	-105.2	-86.4	-117.5
Other operating expenses	-23.0	-16.7	-63.9	-49.7	-69.3
<b>Underlying EBITDA</b>	<b>40.3</b>	<b>84.8</b>	<b>90.1</b>	<b>304.5</b>	<b>332.1</b>

Underlying EBITDA for the quarter, as defined above, decreased by 52 per cent from the same quarter in the prior year and by 70 per cent for the period January to September 2022 from the same period in 2021. Short-term pressures on the top line as we continue to rebuild activity in the Netherlands and the impact of betting duties on these revenues continue to put pressure on the Group's profitability. On top of this, the Group's long-term focus on selected investments to build for future growth (discussed above and on the previous page), continue to have an impact. However, since launching into the Netherlands during the third quarter, the underlying EBITDA margin has improved significantly to 15 (28) per cent for the quarter, up from 11 per cent in the second quarter. The Group continues to focus on the scalability that growth in the Dutch market will bring.

The underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the North American market of GBP 9.8 (7.0) million, up from GBP 7.4 million for the second quarter of 2022. The increase from the same period in the prior year is primarily a result of increased marketing costs since the launch into Ontario in the second quarter of 2022, offset by a focus on marketing and bonus efficiencies across the US states. Since the second quarter of 2022, the numbers for the North American market include the total of both the US and Canadian markets and comparatives have been updated to reflect this.

GBP

40.3m

Underlying EBITDA for Q3 2022

15%

Underlying EBITDA margin in Q3 2022 (compared to 28% in Q3 2021 and 11% in Q2 2022)

19%

Underlying EBITDA margin, excluding North America, in Q3 2022 (compared to 31% in Q3 2021 and 14% in Q2 2022)

The increase from the second quarter of 2022 is primarily attributable to increased marketing investment in Ontario, as mentioned above, as well as in the US states which is expected during the third quarter as a result of seasonality with the start of the sports leagues. Excluding the impact of North America, the underlying EBITDA margin for the quarter was 19 (31) per cent, an increase from 14 per cent in the second quarter.

Underlying EBITDA for the quarter also includes the impact of Relax Gaming on the Group's consolidated underlying EBITDA of GBP 4.3 (nil) million, up from GBP 2.9 million in the second quarter of 2022 following a successful quarter for top line revenues as well as continued focus on driving the scalability of the business.

### Items affecting comparability

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Personnel restructuring costs	-0.1	-	-0.3	-0.5	-1.0
Merger and acquisition costs	-	-0.1	-	-4.0	-5.8
Disputed regulatory sanction	-	-	-	4.2	4.2
Germany market closure	-	-	-0.6	-	-
Subsidy for warrants, incentive	-0.8	-	-0.8	-	-
Other gains/(losses)	36.9	-0.6	31.5	-8.0	-9.7
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	-	-	-	-	71.3
<b>Items affecting comparability</b>	<b>36.0</b>	<b>-0.7</b>	<b>29.8</b>	<b>-8.3</b>	<b>59.0</b>

Items affecting comparability amounted to a positive contribution of GBP 36.0 (negative contribution of 0.7) million for the quarter.

Other gains/(losses) for the third quarter of 2022 comprise foreign currency losses of GBP 3.7 (0.6) million and fair value gains of GBP 40.6 (nil) million in relation to the contingent consideration arising on the acquisition of Relax Gaming and forward contracts.

Fair value gains in the quarter were significantly impacted by the reassessment of the fair value of the Relax Gaming contingent consideration, which resulted in a positive impact of GBP 39.6 million. For full detail of this adjustment, please refer to note 14 on page 35.

Foreign exchange losses were once again significant during the third quarter with the main contributor being the weakening of the British Pound against the Euro. These losses were partly offset by corresponding forward contract movements. Kindred operates internationally and its results are therefore naturally impacted by currency fluctuations, primarily unrealised foreign currency differences relating to the retranslation of foreign currency current assets and liabilities, including both cash and customer balances.

During the quarter the Group has also recognised a charge of GBP 0.8 million in connection with one of its new employee long-term incentive plans, approved at the AGM in May 2022, which takes the form of warrants. A subsidy has been provided upfront to the employees under this plan to cover personal tax payments and this cost, which is unrecoverable for the Group has been taken in full to items affecting comparability.

## EBITDA and profit from operations

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
<b>Underlying EBITDA</b>	<b>40.3</b>	<b>84.8</b>	<b>90.1</b>	<b>304.5</b>	<b>332.1</b>
Personnel restructuring costs	-0.1	-	-0.3	-0.5	-1.0
Merger and acquisition costs	-	-0.1	-	-4.0	-5.8
Disputed regulatory sanction	-	-	-	4.2	4.2
Germany market closure	-	-	-0.6	-	-
Subsidy for warrants, incentive	-0.8	-	-0.8	-	-
Other gains/(losses)	36.9	-0.6	31.5	-8.0	-9.7
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	-	-	-	-	71.3
<b>EBITDA</b>	<b>76.3</b>	<b>84.1</b>	<b>119.9</b>	<b>296.2</b>	<b>391.1</b>
Depreciation of property, plant and equipment	-3.6	-3.8	-10.8	-11.0	-14.8
Depreciation of right-of-use assets	-3.0	-2.7	-8.9	-8.1	-11.1
Amortisation of intangible assets	-7.8	-5.2	-22.0	-15.3	-23.0
<b>Profit from operations</b>	<b>61.9</b>	<b>72.4</b>	<b>78.2</b>	<b>261.8</b>	<b>342.2</b>

EBITDA for the third quarter of 2022 was GBP 76.3 (84.1) million and profit from operations for the third quarter of 2022 was GBP 61.9 (72.4) million. For the period January to September 2022, EBITDA was GBP 119.9 (296.2) million and profit from operations was GBP 78.2 (261.8) million. On top of the reasons provided previously for underlying EBITDA, the variances in these metrics from the prior year were impacted by changes in items affecting comparability and amortisation charges as detailed on the previous page. Most notably, this includes the significant positive impact from items affecting comparability of GBP 36.0 million.

### Net finance costs/income

Net finance costs for the third quarter of 2022 was GBP 1.6 (1.2) million. Net finance costs for the period January to September 2022 was GBP 3.3 (3.7) million. This primarily comprises interest and fees on borrowings which amounted to GBP 1.2 (0.9) million for the third quarter and GBP 2.7 (2.9) million for the period January to September 2022.

### Profit before tax

Profit before tax for the third quarter of 2022 was GBP 60.3 (71.8) million. Profit before tax for the period January to September 2022 was GBP 74.9 (259.6) million. Profit before tax has also been positively impacted by the items affecting comparability of GBP 36.0 million discussed in the relevant section previously in this report.

### Profit after tax

Profit after tax for the third quarter of 2022 was GBP 57.9 (60.6) million. Profit after tax for the period January to September 2022 was GBP 70.1 (220.3) million. As certain items affecting comparability recognised in the quarter which impacted the profit before tax are disregarded for tax purposes, the effective tax rate for the third quarter of 2022 has decreased.

GBP

**57.9m**

Profit after tax for Q3 2022

## Other comprehensive income

The Group uses hedge accounting, in the form of a net investment hedge relationship between its EUR and SEK multicurrency facilities and its foreign operations' net assets denominated in the same currencies. During the period, the Group assessed the 'effectiveness' of the net investment hedge in accordance with the requirements of IFRS 9 and accordingly the foreign exchange difference on revaluation of the Group's facilities was recognised in other comprehensive income as '(losses)/gains on net investment hedge'. This amounted to a loss of GBP 1.9 (0.1) million for the third quarter. At 30 September 2022, a gain of GBP 4.2 (4.2) million in relation to the cumulative effective portion of the current hedging relationship is held within the Group's currency translation reserve.

Other amounts reported within other comprehensive income, as 'currency translation adjustments', and subsequently held within the Group's currency translation reserve, predominantly relate to exchange differences arising on the translation of subsidiary reserves, goodwill and fair value adjustments arising on acquisition of a foreign entity and translation differences relating to long-term non-trading inter-company balances.

## Financial position

Cash and cash equivalents at the end of the third quarter of 2022 stood at GBP 264.9 (409.0) million while at the beginning of the quarter it was GBP 216.4 (384.4) million. Please refer to the cash flow section for more detail on the movement during the period and to page 36 for a reconciliation of the unrestricted cash balance.

At 30 September 2022, GBP 136.8 (114.8) million of the Group's facilities (relating to the multi-currency revolving credit facility agreement signed in November 2021) was utilised out of a total of GBP 191.3 (280.0) million. The facility also includes an uncommitted accordion feature that permits, under certain conditions, an increase in total commitments up to EUR 325 million. The total borrowings recognised in the statement of financial position of GBP 136.2 (114.4) million are reported net of the associated transaction fees which were incurred upon entering the facilities agreement and which are being expensed over its duration. The increase when comparing to the same period in 2021 is a result of net proceeds from borrowings of GBP 22.1 (nil) million.

The Group therefore remains in a net cash position, amounting to GBP 55.3 (214.1) million at the 30 September 2022. Net cash/EBITDA (rolling 12-month basis) for the quarter was 0.26 (0.52).

In October 2021, the Group acquired Relax Gaming with the impact of this acquisition seen across several line items in the condensed consolidated balance sheet when comparing the third quarter of 2022 to the same period in 2021. As previously reported, the impact is most notably seen in goodwill and other intangible assets and other financial liabilities at fair value through profit and loss (relating to contingent consideration on the acquisition).

## Capital investments

The most significant capital investments for the Group are in relation to the development and acquisition of intangible assets. Intangible assets, excluding those arising from acquisitions, comprise development costs, computer software and licences.

In the third quarter of 2022 and the period January to September 2022, intangible assets of GBP 9.6 (11.8) million and GBP 28.0 (25.7) million have been capitalised respectively. For the quarter, the decrease from the 2021 comparative was influenced by the acquisition of global exclusivity rights on several slot games of GBP 4.2 million in the prior year, as

GBP

55.3m

Net cash at 30 September 2022  
(up GBP 41.4m from 30 June  
2022)

previously reported. This was offset by increases in capitalised development costs, as explained below.

Capitalised development costs primarily represent capitalised salary costs for those working on the development and enhancement of the platform. Capitalised development costs for the third quarter of 2022 were GBP 9.3 (6.3) million, bringing the total capitalised for the period January to September 2022 to GBP 26.7 (19.3) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining. The increase for the period January to September 2022 when compared to the same period of 2021 is largely impacted by additional development costs of GBP 3.5 million in relation to Relax Gaming, which was only acquired during the fourth quarter of 2021. On top of this, the Group has made selective headcount increases in its Tech and Development function to support the launch of its proprietary platform in North America and the development of its in-house sportsbook platform, among other projects.

## Cash flow

Net cash generated from operating activities amounted to GBP 69.5 (70.3) million for the third quarter of 2022, and GBP 84.8 (269.1) million for the period from January to September 2022. The significant year-on-year decrease for the period from January to September is primarily caused by the decline in underlying EBITDA, partially offset by substantial positive movements in net working capital. Working capital movements are largely attributable to the fluctuations in timing of tax and supplier payments, as well as an increase in accruals in the current quarter as a direct result of the Group being active again in the Dutch market.

During the third quarter of 2022 the Group has seen significant positive net working capital movement of GBP 31.5 million, which includes net tax payments. As mentioned above, this is primarily driven by activity in the Netherlands, which has caused substantial increases in betting duties accruals and customer balances.

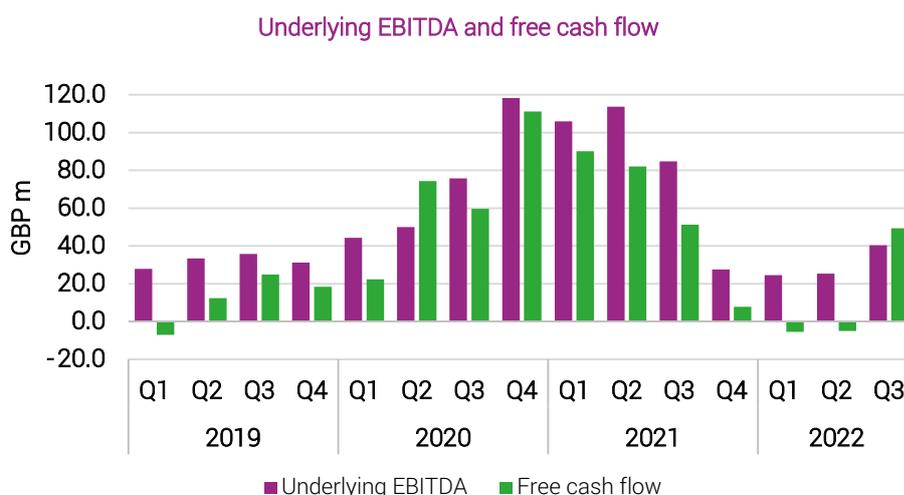
Cash flows used in investing activities were GBP 11.7 (14.1) million for the third quarter of 2022 and GBP 38.6 (59.0) million for the period from January to September 2022. The decrease when comparing to the period from January to September 2021 is primarily due to the acquisition of Blancas NV during the second quarter of 2021, which resulted in a net cash outflow of GBP 25.6 million, offset by the first earn out payment from the Relax Gaming acquisition of GBP 4.4 million during the second quarter of 2022. The decrease when compared to the third quarter of 2021 resulted from the movement in capital investments detailed above.

Cash flows used in financing activities for the quarter were primarily impacted by share purchases totalling GBP 10.0 (28.7) million, as well as GBP 0.4 million for share warrants purchased by employees as part of the new long-term incentive plan implemented this quarter. For the period from January to September 2022, cash flows used in financing activities were impacted by share purchases of GBP 33.9 (44.9) million, net proceeds from borrowings of GBP 22.1 (nil) million and the payment of the first instalment of the 2021 dividend of GBP 36.8 (37.5) million. The second instalment of the dividend will be paid on 18 November 2022.

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Net cash generated from operating activities	69.5	70.3	84.8	269.1	282.3
Purchases of property, plant and equipment	-2.2	-2.3	-6.6	-7.9	-10.6
Development and acquisition costs of intangible assets	-9.6	-11.8	-28.0	-25.7	-34.4
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-1.0	-1.3
Repayment of lease liabilities	-3.0	-2.9	-9.2	-8.1	-10.4
Adjust for: customer balance movement	-5.1	-1.8	-1.4	-3.0	5.5
<b>Free cash flow</b>	<b>49.3</b>	<b>51.2</b>	<b>38.7</b>	<b>223.4</b>	<b>231.1</b>

Free cash flow, as defined in the table above, decreased by GBP 1.9 million for the quarter and GBP 184.7 for the period January to September, when compared to the same periods of the prior year. This is predominantly the result of movements in net cash generated from operating activities and capital investments, as explained above.

Quarterly underlying EBITDA and free cash flow are shown in the graph below, with cash conversion for the third quarter of 2022 standing at 122 (60) per cent. Whilst underlying EBITDA has declined significantly from the prior year, as explained throughout the report, the significant increase in cash conversion from the prior year has been impacted by the large positive working capital movement during the third quarter of 2022, compared to a large negative working capital movement in the same period of 2021.



GBP

**49.3m**

Free cash flow for Q3 2022

## Operational review

### Market overview

#### Norway

During the third quarter, the Norwegian Gambling Authority (NGA) issued a decision against Trannel International Limited (Trannel), a wholly owned subsidiary of Kindred, according to which a penalty of ~NOK 1.2 million per day would start to accrue from 5 October 2022 unless Trannel complies with a cease-and-desist order from April 2019. The penalty was first communicated to Trannel in February 2022 as a remedy to enforce the cease-and-desist order. Trannel contests the legality of the cease-and-desist order and the decision to impose the penalty, whilst also questioning its enforceability due to the inherent incompatibility of the Norwegian regime with EEA law. As a result, Kindred has therefore appealed against both these decisions. On 7 October 2022, the NGA decided to pause the penalty as Trannel is in the process of making certain adaptations to its international websites as requested by the NGA.

The proposal for DNS-blocking, which was sent out for public consultation by the Government in Autumn 2021, has been sent back to the NGA for a new assessment based on criticism received during the consultation process.

### Sweden

In Sweden, a new right-wing coalition government has been formed following the general elections held on 11 September. It is expected that the proposal put forward in May by the Social Democratic government, which includes B2B licenses, marketing restrictions and measures against match-fixing and unlicensed gambling, will either be processed in Parliament, or it will be sent back to the government. If sent back, it remains unclear if it will be put forward to Parliament again or reviewed by the new government.

### Finland

A trade association has been formed in Finland by major European operators and a General Secretary will be employed during the fourth quarter of 2022.

There has also been a law proposal to disconnect direct funding of beneficiaries from the state monopoly and transfer this to the state budget. The proposal has been sent out for public consultation. Furthermore, the state monopoly Veikkaus have publicly stated their support for a local licence system, and the National Coalition Party (Finnish Conservative Party) has publicly backed next year's government negotiations supporting a licensing system in Finland.

### Denmark

General elections in Denmark have been announced following political turmoil in the coalition party in power, which means that any immediate planned regulatory changes are currently postponed. The general elections will take place on 1 November 2022.

The Danish gambling market has also seen 3 new operators enter while no operator has left during the quarter.

### Netherlands

Kindred launched in the Netherlands on 4 July and is currently complying with the industry-agreed advertising restrictions, including a complete ban on outdoor advertising. Since the launch, additional football partnerships have been signed in addition to that with AFC Ajax. These are NEC Nijmegen and FC Utrecht. Additional partnerships have been signed ahead of the upcoming above the line advertising restrictions proposed by the government. These include:

- Jan 1, 2023: ban on untargeted advertising for ATL
- Jan 1, 2024: ban on events and program sponsoring
- Jan 1, 2025: ban on sports sponsoring, including shirt sponsoring and LED boarding

It is currently unclear if the implementation phases will be met as the Decree needs to be passed by the Council of State and the Senate first, before it can be implemented. The Minister recently commented that an implementation by 1 January 2023 is unrealistic, thus a delay (of several months) before final implementation is expected.

The Dutch regulator has granted 3 more licenses in September to smaller operators, bringing the total number of licenses to 23. More licenses are expected to be granted, including several well-known brands, however, the timing of this is not yet clear.

The first Unibet Impact initiatives have been launched together with partner football clubs. These include a charity football match called "the Kist Cup", and a lifestyle programme for supporters together with Heracles Almelo.

### France

During the quarter, the team in France have tested new digital formats and campaigns such as a new cash out solution, a new events notification function, launch of BetBuilder for basketball betting, and optimisation of the UX interface, all of which have greatly improved the Unibet product.

### Belgium

In Belgium the Royal Decree on deposit limits (soft cap of EUR 200 per week and website) was published in July and was enforced on 20 October. Kindred remains cautiously positive towards the soft cap in its current form.

The Belgian regulator (BGC) launched a prevention campaign for the World Cup with a focus on the “illusion of control”. Kindred is supporting the campaign by sharing it as of now and throughout the tournament via our social media channels and with messaging across the platform.

### United Kingdom

The current political situation in the UK, including the various resignations and reshuffling within the UK government, have put the future of the White Paper in jeopardy. The White Paper has continued to be delayed throughout the third quarter and November is now seen as the best-case scenario.

The Group remains engaged in licence reviews by the UK Gambling Commission (UKGC) in respect of the Unibet and 32Red brands. Such reviews are expected within the industry, and Kindred has been, and will continue, cooperating with the UKGC.

### North America

The number of licensed operators is growing in Ontario with 28 operators holding a license at the end of the third quarter compared to 18 operators at the end of the second quarter. More licenses are expected to be granted going forward. The AGCO (regulator) announced that the transition period for operators still in the grey market will end on 31 October 2022. Any operator who is not fully licensed (AGCO registration and an operating agreement signed with iGaming Ontario) must exit by then.

As part of its efforts to optimise its US state footprint in line with its North America strategy, Kindred has decided to exit Iowa in Q4 2022. Following this, the North American footprint will include New Jersey, Pennsylvania, Indiana, Virginia, Arizona and Ontario (Canada).

## Product segment overview

### Racing update

Following the agreement signed with Svensk Travsport communicated in the second quarter, Kindred has integrated the official Swedish trotting feed into its proprietary racing platform. While more work is needed to adjust the content, this is providing a much-enhanced Swedish Trotting offering.

In the UK, racing was cancelled on the evening the Queen passed away as well as the following two days and the day of her funeral, which impacted both turnover and active customers. The coming months will however see the start of the jumps season, which officially kicked off on 7 October with a Unibet sponsored day at Chepstow. This will lead to the renowned ‘Road To Cheltenham’ campaign, with five Unibet sponsored races, all leading up to our headline sponsorship at the Cheltenham Festival in March, the Unibet Champion Hurdle.

### Sportsbook update

The Kindred Sportsbook Platform project remains on track and development is continuing at pace with all key milestones to date delivered on time. The team has established go-live dates for both the France migration and dot.com markets, with the main goal of being ready to launch in a test market at the end of 2023. Recruitment continues to go well in both technical and operational areas as Kindred continues to build out the new organisation.

New features have been rolled out, including an event push notification on the iOS App in the UK, Sweden, Australia, Finland and Austria. The roll out in other markets is planned in the coming weeks. In addition, an “in-play counter” has been added to the sports lobby indicating the number of live events active at any given moment. Additional value adding improvements will continue to be released across the sportsbook segment during the fourth quarter.

### Casino & games update

In September, Kindred launched the Unibet exclusive Runner 8 Runner live game show with Dutch game provider Stakelogic as well as a full portfolio of Dutch games from Evolution.

A new deal has been signed with Pragmatic Play which will allow Kindred improved agreements on Pragmatic’s content, as well as access to their full suite of bonus tools with increased exposure of Pragmatic content across Kindred sites. Kindred has also signed a new deal with Push Gaming.

Kindred’s bingo offering has released a new minigame called “Reel investigator” and ran a second iteration of a new automated raffle promotion used for retention. New onsite lobbies have been rolled out across all brands to ensure consistency in the player experience, better control and future development opportunities and improvements. The bingo tiles include dynamic data such as countdown to next game, prize pool and jackpots.

After the quarter end, October saw the launch of a new Dream Drop minigame allowing players to play for the massive casino network jackpot in Bingo.

### Poker update

New features have been added to the poker offering allowing players to see equity percentages at each poker table. The feature shows the percentage chance of winning plotted on a graph after every street.

Kindred hosted the Unibet Open for the first time since 2020, with the event held in Malta and attracting a record number of players.

A re-worked version of the Banzai game is expected to be released during the fourth quarter with new non-monetary gamification features and a retro computer game look and feel.

## Sustainability overview

On 19 October Kindred hosted its seventh consecutive Sustainable Gambling Conference at the Johan Crujff Arena in Amsterdam with over 250 guests attending in person and a further 250 online. This year’s theme was “Safer gambling: An honest conversation”. The day included more than 15 panels and presentations on topics ranging from the ethical use of data and the latest research in responsible gambling to sportsbook integrity and single customer view. For a full summary of the conference visit [www.sustainablegambling.com](http://www.sustainablegambling.com).

Kindred is continuing its focus on its “Journey towards Zero”, which sets the ambition to have zero revenue from high-risk customers by the end of 2023. In the third quarter of 2022, Kindred’s share of revenue from high-risk customers increased slightly to 3.8 per cent. During the past three quarters, the number have fluctuated between 3.3 and 3.8 per cent. From the start, focus has been on improving internal processes, secure operations and developing technological solutions. The next step of the journey is to deploy automatic interventions into the Player Safety Early Detection System (PS-EDS) to improve real time capability and allow engagement with customers at an earlier stage. Looking to enhance strategic partnerships to propel this early intervention, Kindred has entered a new collaboration with EPIC Risk Management in the UK and Spelfriheten in Sweden. Kindred has also started to provide Gamban licenses free of charge to Spelfriheten. Gamban is a technical solution used to block access to online gambling sites and applications for customers at risk.

In August, it was announced that Kindred has been ranked second in the in the All-Index, an independent diversity, equity, and inclusion benchmarking survey for the industry, audited by All-In Diversity. Kindred received a score of 79 out 100, an increase from last year and far above the median score of 32.5. Out of the 40 organisations, only 12 scored 50 or more points, with the top score being 85.

During the quarter, Kindred’s Leadership Development Program Alchemy continued. In September, colleagues from seven countries across the world met in Brighton to share insights and develop their leadership skills. A central part of the Alchemy Leadership Program is to contribute to Kindred’s commitment of reaching gender parity in senior leadership by 2025. This year’s Alchemy program saw a continued rise in female representation, with 40 per cent of participants being female in both cohorts.

Kindred has continued its journey to reduce its environmental impact by setting emission reduction targets that are in line with Science Based Target (SBT) criteria. During the quarter, the screening process for validation started and the targets are currently under review by the SBT initiative.

In the third quarter, Kindred Belgium’s work with the project ‘No Heart No Glory’ has continued together with football club Brugge KV (Bruges). The project offers workshops on heart disease in sport, such as heart rhythm issues. Another key part of the project is to ensure the availability of AED defibrillators. So far, 24 workshops have taken place and 31 AEDs have been distributed within the Bruges club network, with 11 further workshops planned. At Charleroi, a similar project has been kicked off during the quarter. As part of the ‘Coup de Coeur’-foundation, 4 workshops have taken place, and at the end of the fourth quarter Kindred Belgium is aiming to launch a digital tool through an AR-solution, offering an interactive ‘First Aid’ workshop.

During the quarter, Unibet Netherlands has continued its partnership with the European Football for Development Network (EFDN). Two projects will be in focus – ‘Fair Sports 4 All’ and ‘More than Football Fund’. The educational program ‘Fair Sports 4 all’ consists of an interactive workshop to make football players, coaches, and others involved in sports more aware of the risks of match fixing. ‘More Than Football Fund’ enables clubs that are associated with the EFDN to receive funding for innovative projects that are focused on energy reduction, social inclusion, education, health, and other ESG-related subjects. In October, a total of 9 projects have been selected.

## Other information

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### Financial information

This report is unaudited. The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union, except where otherwise stated. The accounting policies remain unchanged from the last published Annual and Sustainability Report and Accounts for the year ended 31 December 2021.

Throughout the report where a comparative number is stated in brackets, this relates to the comparative of the period specified.

### Employees

The Kindred Group had 2,253 (1,814) employees at 30 September 2022, compared with 2,140 employees at 30 June 2022. The comparative number has been updated to include Blancas NV employees which were not previously reported. The significant increase from the same quarter of the prior year reflects an additional 270 employees from the acquisition of Relax Gaming along with selected headcount growth, as explained in the administrative expenses section on pages 12 and 13. The number of consultants amounted to 217 (159) at 30 September 2022.

### Principal risks

The Kindred Group manages strategic, operational, financial, compliance and industry specific risks on a Group-wide basis. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 49 to 53 and pages 109 to 112 of the Annual and Sustainability Report and Accounts for the year ended 31 December 2021 available from [www.kindredgroup.com](http://www.kindredgroup.com).

#### Next AGM and Nomination Committee

The 2023 Annual General Meeting of Kindred Group plc will be held on 20 April 2023 in Stockholm. The Nomination Committee for the 2023 AGM consists of Keith Meister, Corvex Management LP (chairperson), Cedric Boireau, Premier Investissement SAS, Peter Lundkvist, Third Swedish National Pension Fund, Anders Ström, Veralda Investment Ltd, and Evert Carlsson, chairman of the Board of Directors (co-opted member). The nomination committee can be contacted at the following address: Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta, or by email to: [nomination@kindredgroup.com](mailto:nomination@kindredgroup.com).

The Board of Directors and the CEO certify that the Interim report gives a fair reflection of the Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Group.

Malta, 27 October 2022

**Henrik Tjärnström**  
CEO

*Kindred Group plc. Registered in Malta. Company number C 39017.*

*Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta.*

*Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, VLT 1103, Malta.*

*The information in this report is such that Kindred Group plc is required to disclose under the EU Regulation of Market Abuse, MAR. This document is the English original. In the event of any discrepancy between the original English document and the Swedish translation, the English original shall prevail.*



## Report on review of interim financial information

To the Directors of Kindred Group plc

### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Kindred Group plc and its subsidiaries (the 'Group') as at 30 September 2022 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the nine-month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

### PricewaterhouseCoopers

78 Mill Street, Zone 5  
Central Business District  
Qormi  
Malta

Simon Flynn  
Partner

27 October 2022

## Condensed consolidated income statement

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
<b>Continuing operations:</b>					
Revenue	277.8	298.4	763.2	1,014.7	1,259.6
Betting duties	-70.3	-50.5	-189.5	-196.8	-255.3
Marketing revenue share	-9.7	-12.4	-31.9	-41.4	-52.0
Other cost of sales	-43.8	-50.5	-122.5	-160.3	-198.7
<b>Cost of sales</b>	<b>-123.8</b>	<b>-113.4</b>	<b>-343.9</b>	<b>-398.5</b>	<b>-506.0</b>
<b>Gross profit</b>	<b>154.0</b>	<b>185.0</b>	<b>419.3</b>	<b>616.2</b>	<b>753.6</b>
Marketing costs	-53.0	-55.1	-160.1	-175.6	-234.7
Salaries	-37.7	-28.4	-105.2	-86.4	-117.5
Other operating expenses	-23.0	-16.7	-63.9	-49.7	-69.3
Depreciation of property, plant and equipment	-3.6	-3.8	-10.8	-11.0	-14.8
Depreciation of right-of-use assets	-3.0	-2.7	-8.9	-8.1	-11.1
Amortisation of intangible assets	-7.8	-5.2	-22.0	-15.3	-23.0
<b>Total administrative expenses</b>	<b>-75.1</b>	<b>-56.8</b>	<b>-210.8</b>	<b>-170.5</b>	<b>-235.7</b>
<b>Underlying profit before items affecting comparability</b>	<b>25.9</b>	<b>73.1</b>	<b>48.4</b>	<b>270.1</b>	<b>283.2</b>
Personnel restructuring costs	-0.1	-	-0.3	-0.5	-1.0
Merger and acquisition costs	-	-0.1	-	-4.0	-5.8
Disputed regulatory sanction	-	-	-	4.2	4.2
Germany market closure	-	-	-0.6	-	-
Subsidy for warrants, incentive programme	-0.8	-	-0.8	-	-
Other gains/(losses)	36.9	-0.6	31.5	-8.0	-9.7
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	-	-	-	-	71.3
<b>Profit from operations</b>	<b>61.9</b>	<b>72.4</b>	<b>78.2</b>	<b>261.8</b>	<b>342.2</b>
Finance costs	-1.7	-1.3	-3.9	-4.1	-6.2
Finance income	0.1	0.1	0.6	0.4	1.0
Share of profit from associate	-	0.6	-	1.5	1.4
<b>Profit before tax</b>	<b>60.3</b>	<b>71.8</b>	<b>74.9</b>	<b>259.6</b>	<b>338.4</b>
Income tax expense	-2.4	-11.2	-4.8	-39.3	-43.1
<b>Profit after tax</b>	<b>57.9</b>	<b>60.6</b>	<b>70.1</b>	<b>220.3</b>	<b>295.3</b>
<b>Profit is attributable to:</b>					
Owners of Kindred Group plc	57.9	60.6	70.0	220.3	295.3
Non-controlling interests	-	-	0.1	-	-
<b>Total profit</b>	<b>57.9</b>	<b>60.6</b>	<b>70.1</b>	<b>220.3</b>	<b>295.3</b>
Earnings per share (GBP)	0.26	0.27	0.32	0.97	1.31
Diluted earnings per share (GBP)	0.26	0.27	0.32	0.96	1.30

## Condensed consolidated statement of comprehensive income

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Profit after tax	57.9	60.6	70.1	220.3	295.3
<b>Other comprehensive income</b>					
Currency translation adjustments taken to equity	16.2	1.2	25.7	-5.7	-18.0
(Losses)/gains on net investment hedge	-1.9	-0.1	-2.2	4.2	6.4
<b>Total comprehensive income for the period</b>	<b>72.2</b>	<b>61.7</b>	<b>93.6</b>	<b>218.8</b>	<b>283.7</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Owners of Kindred Group plc	71.9	61.7	93.2	218.8	283.8
Non-controlling interests	0.3	-	0.4	-	-0.1
<b>Total comprehensive income for the period</b>	<b>72.2</b>	<b>61.7</b>	<b>93.6</b>	<b>218.8</b>	<b>283.7</b>

## Condensed consolidated balance sheet

GBP m	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	438.1	279.2	428.5
Other intangible assets	269.8	174.7	255.3
Investment in associate	-	5.1	-
Property, plant and equipment	19.9	24.8	23.7
Right-of-use assets	46.4	49.9	53.7
Deferred tax assets	28.4	26.6	27.4
Convertible bond	6.7	6.5	6.4
Other non-current assets	3.5	3.0	3.1
	<b>812.8</b>	<b>569.8</b>	<b>798.1</b>
<b>Current assets</b>			
Trade and other receivables	72.8	69.0	52.3
Financial assets at fair value through profit and loss	1.2	-	0.1
Taxation recoverable	72.5	96.9	96.4
Cash and cash equivalents	264.9	409.0	270.6
	<b>411.4</b>	<b>574.9</b>	<b>419.4</b>
<b>Total assets</b>	<b>1,224.2</b>	<b>1,144.7</b>	<b>1,217.5</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	28.9	15.7	5.7
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	519.9	496.8	514.9
<b>Total equity attributable to the owners</b>	<b>587.5</b>	<b>551.2</b>	<b>559.3</b>
Non-controlling interest	6.3	-	5.9
<b>Total equity</b>	<b>593.8</b>	<b>551.2</b>	<b>565.2</b>
<b>Non-current liabilities</b>			
Borrowings	136.2	-	111.6
Lease liabilities	35.2	39.5	43.5
Provisions	2.4	2.4	2.3
Other financial liabilities at fair value through profit and loss	-	-	38.3
Deferred tax liabilities	21.4	12.8	22.4
	<b>195.2</b>	<b>54.7</b>	<b>218.1</b>
<b>Current liabilities</b>			
Borrowings	-	114.4	-
Lease liabilities	12.5	11.4	11.9
Trade and other payables	195.5	174.6	162.2
Provisions	13.6	10.3	11.1
Customer balances	73.4	80.5	72.0
Deferred income	6.9	5.4	4.8
Other financial liabilities at fair value through profit and loss	42.1	-	41.1
Tax liabilities	91.2	142.2	131.1
	<b>435.2</b>	<b>538.8</b>	<b>434.2</b>
<b>Total liabilities</b>	<b>630.4</b>	<b>593.5</b>	<b>652.3</b>
<b>Total equity and liabilities</b>	<b>1,224.2</b>	<b>1,144.7</b>	<b>1,217.5</b>

## Condensed consolidated statement of changes in equity

GBP m	Q3		Jan-Sep		Full year 2021
	2022	2021	2022	2021	
<b>Opening balance of total equity at beginning of period</b>	<b>529.4</b>	<b>516.7</b>	<b>565.2</b>	<b>412.1</b>	<b>412.1</b>
<b>Comprehensive income</b>					
Profit for the period	57.9	60.6	70.1	220.3	295.3
Other comprehensive income:					
Currency translation adjustments taken to equity	16.2	1.2	25.7	-5.7	-18.0
(Losses)/gains on net investment hedge	-1.9	-0.1	-2.2	4.2	6.4
<b>Total comprehensive income</b>	<b>72.2</b>	<b>61.7</b>	<b>93.6</b>	<b>218.8</b>	<b>283.7</b>
<b>Transactions with owners</b>					
Employee share schemes - value of employee services	1.8	-7.0	0.2	-7.7	-6.1
Sale of warrants, incentive program	0.4	-	0.4	-	-
Treasury share purchases	-10.0	-28.7	-33.9	-44.9	-66.4
Disposal / utilisation of treasury shares	-	8.5	5.3	10.4	10.4
Non-controlling interests on acquisition of subsidiary	-	-	-	-	6.0
Dividend paid	-	-	-37.0	-37.5	-74.5
<b>Total transactions with owners</b>	<b>-7.8</b>	<b>-27.2</b>	<b>-65.0</b>	<b>-79.7</b>	<b>-130.6</b>
<b>Closing balance of total equity at end of period</b>	<b>593.8</b>	<b>551.2</b>	<b>593.8</b>	<b>551.2</b>	<b>565.2</b>
<b>Equity is attributable to:</b>					
Owners of Kindred Group plc	587.5	551.2	587.5	551.2	559.3
Non-controlling interests	6.3	-	6.3	-	5.9
<b>Total equity</b>	<b>593.8</b>	<b>551.2</b>	<b>593.8</b>	<b>551.2</b>	<b>565.2</b>

## Condensed consolidated cash flow statement

GBP m	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
<b>Operating activities</b>					
Profit from operations	61.9	72.4	78.2	261.8	342.2
Adjustments for:					
Depreciation of property, plant and equipment	3.6	3.8	10.8	11.0	14.8
Depreciation of right-of-use assets	3.0	2.7	8.9	8.1	11.1
Amortisation of intangible assets	7.8	5.2	22.0	15.3	23.0
Loss on disposal of intangible assets	0.1	-	0.6	-	0.2
Other (gains)/losses	-40.2	-	-37.8	-	-70.3
Foreign exchange gain on dividend	-	-	-	0.1	0.6
Share-based payments	1.8	1.5	5.5	2.7	4.3
<b>Operating cash flows before movements in working capital</b>	<b>38.0</b>	<b>85.6</b>	<b>88.2</b>	<b>299.0</b>	<b>325.9</b>
(Increase)/decrease in trade and other receivables	-3.8	-9.1	-20.7	-21.7	2.4
Increase/(decrease) in trade and other payables, including customer balances and provisions	38.8	-1.5	40.1	13.7	-12.1
<b>Cash flows from operating activities</b>	<b>73.0</b>	<b>75.0</b>	<b>107.6</b>	<b>291.0</b>	<b>316.2</b>
Net income taxes paid	-3.5	-4.7	-22.8	-21.9	-33.9
<b>Net cash generated from operating activities</b>	<b>69.5</b>	<b>70.3</b>	<b>84.8</b>	<b>269.1</b>	<b>282.3</b>
<b>Investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	-	-	-	-25.6	-97.0
Settlement of contingent consideration	-	-	-4.4	-	-
Interest received	0.1	-	0.4	0.2	0.2
Purchases of property, plant and equipment	-2.2	-2.3	-6.6	-7.9	-10.6
Development and acquisition costs of intangible assets	-9.6	-11.8	-28.0	-25.7	-34.4
<b>Net cash used in investing activities</b>	<b>-11.7</b>	<b>-14.1</b>	<b>-38.6</b>	<b>-59.0</b>	<b>-141.8</b>
<b>Financing activities</b>					
Interest paid	-1.2	-0.9	-3.4	-2.7	-4.3
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-1.0	-1.3
Repayment of lease liabilities	-3.0	-2.9	-9.2	-8.1	-10.4
Dividend paid	-	-	-36.8	-37.5	-74.5
Treasury share purchases	-10.0	-28.7	-33.9	-44.9	-66.4
Sale of warrants, incentive program	0.4	-	0.4	-	-
Proceeds from borrowings	-	-	60.5	20.0	133.7
Repayment of borrowings	-	-	-38.4	-20.0	-133.7
<b>Net cash used in financing activities</b>	<b>-14.1</b>	<b>-32.8</b>	<b>-61.7</b>	<b>-94.2</b>	<b>-156.9</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>43.7</b>	<b>23.4</b>	<b>-15.5</b>	<b>115.9</b>	<b>-16.4</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>216.4</b>	<b>384.4</b>	<b>270.6</b>	<b>300.5</b>	<b>300.5</b>
Effect of foreign exchange rate changes	4.8	1.2	9.8	-7.4	-13.5
<b>Cash and cash equivalents at end of period</b>	<b>264.9</b>	<b>409.0</b>	<b>264.9</b>	<b>409.0</b>	<b>270.6</b>

## Notes to the condensed consolidated interim financial statements

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### 1: General information

Kindred Group plc (the Company) and its subsidiaries (together, the Group) is one of the largest independent, publicly quoted online gambling operators in Europe. The Group's primary business is its B2C online business, operating across Europe, Australia, and North America, and offering sports betting, casino & games, poker and other products through several brands. It also has a complementary B2B business in Relax gaming, a leading iGaming product supplier, supplying other top tier operators across its markets.

The Company is a public limited liability company incorporated and domiciled in Malta and listed only on the NASDAQ Stockholm. The Group's most significant subsidiaries can be found in Malta, the United Kingdom, Sweden, France, Italy, Gibraltar, Australia, and the USA.

This condensed consolidated interim financial information was approved for issue on 27 October 2022.

### 2: Basis of preparation

This condensed consolidated interim financial information for the nine-month period ended 30 September 2022 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements (Annual and Sustainability Report and Accounts) for the year ended 31 December 2021.

The next annual financial statements will be prepared in accordance with IFRS as adopted by the European Union and drawn up to the year ending 31 December 2022.

The Directors consider the Group to be a going concern for at least 12 months from the date of approval of the interim report. The Directors have determined the Group's ability to continue as a going concern by reviewing forecasts (including sensitivity analysis), liquidity levels and financial commitments, and monitoring its ability to meet its loan covenants.

The Group has a solid financial position with strong liquidity and low leverage. The Group also generates strong cash flows, and it is expected that sufficient funds will be available for its ongoing operations as well as the repayment of its liabilities, including its borrowings. The Group also has access to further funds by means of the unused portion of its revolving credit facility, as disclosed further on page 16. The Group has complied with all of the facility covenant requirements during the period and forecasts show that continued compliance with these covenants is expected.

### 3: Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021, except for:

- Certain amendments or interpretations to standards effective from 1 January 2022 and implemented during the period, which did not have a material effect on these condensed consolidated interim financial statements.

### 4: Items affecting comparability

The Group defines items affecting comparability as those items which, by their size or nature in relation to both the Group and individual segments, should be separately disclosed in order to give a full understanding of the Group's underlying financial performance, and aid comparability of the Group's results between periods. Refer to page 14 for more information.

## 5: Operating segments

Following the acquisition of Relax Gaming on 1 October 2021, and the introduction of a new B2B revenue stream to complement the Group's existing B2C revenue stream, management revisited and updated its internal reporting processes for the purpose of making strategic decisions, and subsequently redefined the Group's operating segments.

Since 1 October 2021, the Group's operations are split into two operating segments, being Kindred Group excluding Relax Gaming, which consists of the B2C revenue streams, and Relax Gaming which consists of the B2B revenue streams. The operating segments for the comparative nine-month period ended 30 September 2021 are reported below as previously defined.

The operating segments during the nine-month period ended 30 September 2022 are as follows:

### Nine months ended 30 Sep 2022

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	746.5	-	1.3	<b>747.8</b>
Other revenue (B2B)	-	22.4	-7.0	<b>15.4</b>
<b>Revenue</b>	<b>746.5</b>	<b>22.4</b>	<b>-5.7</b>	<b>763.2</b>
Betting duties	-189.5	-	-	-189.5
Marketing revenue share	-31.9	-	-	-31.9
Other cost of sales	-126.1	-1.6	5.2	-122.5
<b>Gross profit</b>	<b>399.0</b>	<b>20.8</b>	<b>-0.5</b>	<b>419.3</b>
Marketing costs	-159.5	-0.6	-	-160.1
Total administrative expenses	-199.9	-10.9	-	-210.8
Items affecting comparability	29.8	-	-	29.8
<b>Profit from operations</b>	<b>69.4</b>	<b>9.3</b>	<b>-0.5</b>	<b>78.2</b>

Further analysis of the B2C business by region during the nine-month period ended 30 September 2022 can be seen below:

### Nine months ended 30 Sep 2022

GBP m	Western Europe	Nordic Region	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue (B2C)	398.0	225.6	81.4	41.5	<b>746.5</b>
Other revenue (B2B)	-	-	-	-	-
<b>Revenue</b>	<b>398.0</b>	<b>225.6</b>	<b>81.4</b>	<b>41.5</b>	<b>746.5</b>
Betting duties	-136.2	-25.1	-12.4	-15.8	-189.5
Marketing revenue share	-17.1	-6.8	-4.0	-4.0	-31.9
Other cost of sales	-50.0	-48.0	-16.2	-11.9	-126.1
<b>Gross profit</b>	<b>194.7</b>	<b>145.7</b>	<b>48.8</b>	<b>9.8</b>	<b>399.0</b>

Further analysis of the B2C business by product during the nine-month periods ended 30 September 2022 and 30 September 2021 can be seen below:

GBP m	Nine months ended 30 Sep 2022	Nine months ended 30 Sep 2021
Sports betting	318.0	446.1
Casino & games	391.4	521.4
Poker	21.1	23.6
Other	16.0	23.6
<b>Total Gross winnings revenue</b>	<b>746.5</b>	<b>1,014.7</b>

The operating segments during the nine-month period ended 30 September 2021 were as follows:

## Nine months ended 30 Sep 2021

GBP m	Western Europe	Nordic Region	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue (B2C)	675.5	213.0	82.9	43.3	1,014.7
Cost of sales	-257.6	-76.1	-33.2	-31.6	-398.5
<b>Gross profit</b>	<b>417.9</b>	<b>136.9</b>	<b>49.7</b>	<b>11.7</b>	<b>616.2</b>
Marketing costs					-175.6
Total administrative expenses					-170.5
Items affecting comparability					-8.3
<b>Profit from operations</b>					<b>261.8</b>

## 6: Intangible assets, property, plant and equipment and right-of-use assets

## Nine months ended 30 Sep 2022

GBP m	Goodwill	Other intangible assets	Property, plant & equipment	Right-of-use assets
Opening net book amount 1 Jan 2022	428.5	255.3	23.7	53.7
Additions	-	28.0	6.6	1.4
Disposals	-	-0.6	-0.1	-0.2
Currency translation adjustment	9.6	9.1	0.5	0.4
Amortisation / depreciation	-	-22.0	-10.8	-8.9
<b>Closing net book amount at 30 Sep 2022</b>	<b>438.1</b>	<b>269.8</b>	<b>19.9</b>	<b>46.4</b>

## Nine months ended 30 Sep 2021

GBP m	Goodwill	Other intangible assets	Property, plant & equipment	Right-of-use assets
Opening net book amount 1 Jan 2021	273.9	148.7	28.4	61.3
Additions	-	25.7	7.9	-
Additions - through business combinations	9.6	17.3	0.5	-
Remeasurement of right-of-use assets	-	-	-	0.9
Currency translation adjustment	-4.3	-1.7	-1.0	-4.2
Amortisation / depreciation	-	-15.3	-11.0	-8.1
<b>Closing net book amount at 30 Sep 2021</b>	<b>279.2</b>	<b>174.7</b>	<b>24.8</b>	<b>49.9</b>

At 30 September 2022, the total value of intangible assets attributable to the Relax Gaming CGU amounted to GBP 239.8 (EUR 271.5) million, of which GBP 191.3 (EUR 216.6) million represented goodwill and other intangible assets with indefinite useful lives. Such intangible assets were tested for impairment on a value-in-use basis at 31 December 2021.

The Board believes that there are no cash-generating units where reasonable possible changes to the underlying assumptions exist that would give rise to an impairment. However, for the Relax Gaming CGU, the Board acknowledges that the model is highly sensitive to changes in any of the key assumptions, including revenue, EBITDA and the risk adjusted discount rate used in the value-in-use calculation at 31 December 2021. Changes to any of these key assumptions, individually or in combination, could lead to the recoverable amount of the cash-generating unit equalling or falling below its carrying amount.

## 7: Convertible bond

In May 2014, the Group subscribed to a GBP 6.0 million convertible bond issued by Kambi as part of the disposal. On 31 May 2018, the convertible bond was amended and restated with a principal amount of EUR 7.5 million. The bond has an embedded contingent option to provide change of control protection to both the Group and Kambi. The option can only be exercised on the occurrence of limited trigger events. The option is considered a level 3 derivative instrument, refer to note 12 on page 34.

## 8: Share capital and share premium

GBP m	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 Jan 2022	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
<b>At 30 Sep 2022</b>	<b>230.1</b>	<b>0.1</b>	<b>81.5</b>	<b>81.6</b>

GBP m	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 Jan 2021	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
<b>At 30 Sep 2021</b>	<b>230.1</b>	<b>0.1</b>	<b>81.5</b>	<b>81.6</b>

## 9: Borrowings

GBP m	30 Sep 2022	30 Sep 2021
Non-current	136.2	-
Current	-	114.4
<b>Total</b>	<b>136.2</b>	<b>114.4</b>

Movements in borrowings are analysed as follows:

GBP m	Borrowings
<b>Opening balance 1 Jan 2022</b>	<b>111.6</b>
Transaction fees	0.3
Drawdown of borrowings	60.5
Repayment of borrowings	-38.4
Translation loss on borrowings	2.2
<b>At 30 Sep 2022</b>	<b>136.2</b>
<b>Opening balance 1 Jan 2021</b>	<b>118.3</b>
Transaction fees	0.3
Drawdown of borrowings	20.0
Repayment of borrowings	-20.0
Translation gain on borrowings	-4.2
<b>At 30 Sep 2021</b>	<b>114.4</b>

At 30 September 2022, total borrowings are classified as a non-current liability as the current facilities are not repayable in full until November 2024. Kindred Group plc entered into a new facilities agreement in November 2021 and, as the facilities in place up until that date were repayable in full in July 2022, at 30 September 2021 total borrowings were classified as a current liability.

For more information on the Group's borrowings and associated facilities agreement, please see page 16.

## 10: Dividend

In respect of the financial year 2021, a dividend of GBP 0.337 per ordinary share/SDR was approved at the AGM on 13 May 2022. It was approved that the dividend will be paid out in two equal instalments, in the second and fourth quarters of 2022. The first instalment of GBP 36.8 was paid in May 2022, and the second instalment will be paid in November 2022.

## 11: Related party transactions

Related party transactions for the nine-month period January to September 2022 relate solely to Directors' and Executive Committee remuneration. As at the period end, GBP nil (nil) was owed in respect of these services.

Up until 30 September 2021, Kindred Group plc had a 33 per cent interest in its associate, Relax Holding Limited. Relax Holding Limited and its subsidiaries (Relax Gaming) were therefore considered to be related parties of Kindred Group plc. On 1 October 2021, following the acquisition of Relax Gaming by Kindred Group plc, Relax Holding Limited and its subsidiaries are now subsidiaries of the Kindred Group, and transactions between the two parties are intercompany transactions which are eliminated on consolidation. The transactions are therefore no longer disclosed as related party transactions within this note.

Related party transactions in 2021, up until the date at which Relax Gaming became a part of Kindred Group, relate to the Relax Gaming Group providing certain brands and subsidiaries within Kindred Group with B2B online gaming services, being the supply of its casino, bingo and poker products as well as some related development. The total amount of services procured amounted to GBP 6,824,232 for the period January to September 2021.

At the date at which Relax Gaming became a part of Kindred Group, the remaining balance owed by or to the Group in respect of the above transactions was GBP nil.

Other related party transactions during the period ended 30 September 2021 totalled GBP 6,295. These related to marketing services provided by Football United International Limited, a company in which one of the Kindred Group's board members, who served during the prior year, had an interest. The balance due to Football United International Limited was GBP nil (nil) as at 30 September 2022.

## 12: Fair value measurements of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

### Fair value hierarchy

The Group's financial assets and liabilities measured at fair value through profit and loss have been classified into levels depending on the inputs used in the valuation technique, as follows:

- Level 1: quoted prices for identical instruments;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

A summary by level is provided below:

	As at September 2022			As at December 2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total
<b>Financial assets (GBP m)</b>						
Derivatives	1.2	0.1	1.3	0.1	0.1	0.2
<b>Financial liabilities (GBP m)</b>						
Contingent consideration	-	42.2	42.2	-	79.4	79.4
Deferred income	-	6.9	6.9	-	4.8	4.8

Level 2 derivatives consist of foreign currency forward contracts classified as financial assets at fair value through profit and loss on the balance sheet. Movements on these assets relate to gains recognised in other (losses)/gains in the income statement. Level 3 derivatives are in relation to the embedded option detailed in note 7 on page 33.

There were no transfers between the levels of the fair value hierarchy in the nine months to 30 September 2022. There were also no changes made to any of the valuation techniques applied as of 31 December 2021. The movement in relation to the fair value of the contingent consideration (classified as other financial liabilities at fair value through profit and loss on the balance sheet) is discussed in the business combinations note below.

## 13: Contingent liabilities

Currently the Group has not provided for certain potential claims arising from the promotion of gaming activities in certain jurisdictions. Based on current legal advice, the Directors do not anticipate that the outcome of the proceedings and potential claims, if any, will have a material adverse effect upon the Group's financial position. Further details can be found in the General Legal Environment section of the 2021 Annual and Sustainability Report and Accounts, on pages 109 to 112.

## 14: Business combinations

### Relax Gaming

On 1 October 2021, Kindred completed the acquisition of the remaining outstanding shares in Relax Holding Limited and its subsidiaries (Relax Gaming).

In accordance with the terms of the purchase agreement, earn-out payments may become payable in 2022 and 2023, subject to Relax Gaming achieving certain earnings thresholds. The earn-out payments were provisionally fair valued in accordance with relevant accounting standards, to GBP 79.7 (EUR 93.1) million at the acquisition date and disclosed as other financial liabilities at fair value through profit and loss in the condensed consolidated balance sheet.

A first earn-out payment of GBP 4.4 (EUR 5.2) million, which had been fully provided for, was made during the second quarter of 2022. This was based on performance for the 2021 financial year. The remainder of the first earn-out was maintained in the condensed consolidated balance sheet as at 30 June 2022 given that the original agreement included a clawback mechanism whereby significant overperformance of thresholds in the 2022 financial year could result in the full payment of the first earn-out. Subsequently, during the third quarter of 2022, the fair value of the remaining contingent consideration was assessed, and it was determined that these thresholds would not be met. Although Relax Gaming is performing and growing well during 2022, as can be seen on page 11, this assessment is based on Relax Gaming not significantly overperforming against the ambitious targets agreed at the acquisition date. As a result, an amount of GBP 39.6 (EUR 44.8) million has been released from the total contingent consideration balance in the period to 30 September 2022. In line with the relevant accounting standards, this has been recognised as a credit in the condensed consolidated income statement and is presented within other gains/(losses) within items affecting comparability.

The balance of the contingent consideration on the condensed consolidated balance sheet at 30 September 2022 amounts to GBP 42.2 (EUR 47.8) million and will continue to be reassessed to fair value at each period end. This amount is subject to the final performance of Relax Gaming for the 2022 financial year and therefore the final outcome will not be known until the end of the year. The earn-out mechanism is such that the final payment, expected to be paid out in the second quarter of 2023, could be in the range of EUR nil to EUR 50 million.

## 15: Events after the reporting period

During the third quarter the Norwegian Gambling Authority (NGA) issued a decision against Trannel International Limited (Trannel), a wholly owned subsidiary of Kindred, according to which a penalty of ~NOK 1.2 million per day will start to accrue as from 5 October 2022 unless Trannel complies with a cease-and-desist order from April 2019. The penalty was first communicated to Trannel in February 2022 as a remedy to enforce the cease-and-desist order. Trannel contests the legality of the cease-and-desist order and the decision to impose the penalty, whilst also questioning its enforceability due to the inherent incompatibility of the Norwegian regime with EEA law. As a result, Kindred has therefore appealed against both these decisions. On 7 October 2022, the NGA decided to pause the penalty as Trannel is in the process of making certain adaptations to its international websites as requested by the NGA.

## Appendix

### Alternative performance measures

The Group presents alternative performance measures because they provide owners and investors with additional information about the performance of the business which the Directors consider to be valuable. Alternative performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies.

The below table reconciles the Group's alternative performance measures relating to the condensed consolidated balance sheet to the most directly comparable measures reported in accordance with IFRS. Refer to pages 13 and 15 for corresponding reconciliations of underlying EBITDA and EBITDA respectively, and page 18 for a corresponding reconciliation of free cash flow.

### Condensed consolidated balance sheet measures

GBP m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Cash and cash equivalents	264.9	409.0	270.6
Customer balances	-73.4	-80.5	-72.0
<b>Unrestricted cash</b>	<b>191.5</b>	<b>328.5</b>	<b>198.6</b>
Less: Borrowings	-136.2	-114.4	-111.6
<b>Net cash</b>	<b>55.3</b>	<b>214.1</b>	<b>87.0</b>

### Key ratios

	Q3		Jan-Sep		Full year
	2022	2021	2022	2021	2021
Gross winnings revenue from locally regulated markets (%)	79%	56%	78%	58%	62%
B2C marketing as a % of Gross winnings revenue (%)	23%	23%	26%	21%	23%
Return on average equity, annualised (%)	45%	54%	18%	69%	67%
Underlying EBITDA margin (%)	15%	28%	12%	30%	26%
Net cash / EBITDA, rolling 12-month basis	0.26	0.52	0.26	0.52	0.22
Cash conversion (%)	122%	60%	43%	73%	70%
Free cash flow per share (GBP)	0.22	0.23	0.18	0.98	1.02
Earnings per share (GBP)	0.26	0.27	0.32	0.97	1.31
Diluted earnings per share (GBP)	0.26	0.27	0.32	0.96	1.30
Employees at period end	2,253	1,814	2,253	1,814	2,055
Number of shares at period end <sup>1</sup>	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,707,517	231,177,382	231,707,517	231,177,382	231,405,713
Weighted average number of outstanding shares	219,688,003	226,410,926	220,653,058	226,865,728	226,149,236
Weighted average number of diluted outstanding shares	221,285,180	227,466,870	222,407,790	228,393,908	227,767,325

<sup>1</sup> At 30 September 2022 the total issued shares were 230,126,200. Of these, 11,322,679 shares are held by the Group as a result of previous repurchase programmes.

## FX rates and constant currency impact

Balance sheet rates:	30 Sep	30 Sep	
Rate to GBP	2022	2021	YoY Delta
AUD	1.707	1.870	8.7%
DKK	8.422	8.641	2.5%
EUR	1.133	1.162	2.5%
NOK	11.986	11.812	-1.5%
SEK	12.343	11.816	-4.5%
USD	1.104	1.346	18.0%

### Income statement averages for the quarter:

Rate to GBP	Avg Q3	Avg Q3	YoY Delta
	2022	2021	
AUD	1.721	1.876	8.3%
DKK	8.691	8.695	0.0%
EUR	1.168	1.169	0.1%
NOK	11.744	12.075	2.7%
SEK	12.402	11.920	-4.0%
USD	1.177	1.378	14.6%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the third quarter of 2022 is as follows:

GBP m	Q3 2022
Revenue	0.3
Cost of sales / operating expenses	-2.0
<b>Underlying EBITDA</b>	<b>-1.7</b>
Foreign currency loss on operating items	-3.7
Other items below EBITDA	-
<b>Profit after tax</b>	<b>-5.4</b>

## Operating segmental analysis

These tables are for information only and do not form part of the condensed consolidated financial statements.

The tables below split the Group's revenue, cost of sales and gross profit between its B2C business, Kindred Group (excluding Relax Gaming), and its B2B business, Relax Gaming. The numbers for each segment are inclusive of intercompany transactions, which for total Kindred Group numbers are eliminated in the column entitled eliminations.

### Q3 2022

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	271.1	-	0.8	271.9
Other revenue (B2B)	-	8.9	-3.0	5.9
<b>Total revenue</b>	<b>271.1</b>	<b>8.9</b>	<b>-2.2</b>	<b>277.8</b>
Cost of sales	-125.0	-0.6	1.8	-123.8
<b>Gross profit</b>	<b>146.1</b>	<b>8.3</b>	<b>-0.4</b>	<b>154.0</b>

### Period ended 30 Sep 2022

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	746.5	-	1.3	747.8
Other revenue (B2B)	-	22.4	-7.0	15.4
<b>Total revenue</b>	<b>746.5</b>	<b>22.4</b>	<b>-5.7</b>	<b>763.2</b>
Cost of sales	-347.5	-1.6	5.2	-343.9
<b>Gross profit</b>	<b>399.0</b>	<b>20.8</b>	<b>-0.5</b>	<b>419.3</b>

## Non-Statutory Analysis of Gross Winnings Revenue (B2C)

These tables are for information only and do not form part of the condensed consolidated financial statements.

### Gross winnings revenue by region (based on country of residence of customer)

SPORTS BETTING BY REGION	2022				2021			2022 YTD	2021 YTD	2021 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Gross winnings revenue (GBP m)</b>										
Western Europe	66.1	57.7	67.9	60.1	77.6	119.4	114.2	191.7	311.2	371.3
Nordics	25.6	23.4	24.9	23.8	23.7	31.9	28.1	73.9	83.7	107.5
Central, Eastern and Southern Europe	9.3	9.1	11.1	8.3	8.5	11.1	11.0	29.5	30.6	38.9
Other	7.9	7.6	7.4	8.9	6.1	8.1	6.4	22.9	20.6	29.5
<b>Total</b>	<b>108.9</b>	<b>97.8</b>	<b>111.3</b>	<b>101.1</b>	<b>115.9</b>	<b>170.5</b>	<b>159.7</b>	<b>318.0</b>	<b>446.1</b>	<b>547.2</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth (%)</b>										
Western Europe	-15%	-52%	-41%	-51%	-3%	177%	36%	-38%	50%	12%
Nordics	8%	-27%	-11%	-28%	-3%	129%	15%	-12%	33%	12%
Central, Eastern and Southern Europe	9%	-18%	1%	-37%	-17%	95%	9%	-4%	18%	-1%
Other	30%	-6%	16%	5%	2%	69%	68%	11%	41%	28%
<b>Total</b>	<b>-6%</b>	<b>-43%</b>	<b>-30%</b>	<b>-43%</b>	<b>-4%</b>	<b>153%</b>	<b>30%</b>	<b>-29%</b>	<b>43%</b>	<b>12%</b>
<b>OTHER PRODUCT SEGMENTS - CASINO, POKER &amp; OTHER GAMES BY REGION</b>										
<b>Gross winnings revenue (GBP m)</b>										
Western Europe	85.7	61.8	59.2	62.8	112.0	125.6	126.7	206.7	364.3	427.1
Nordics	52.7	50.8	48.9	51.0	46.1	43.5	39.7	152.4	129.3	180.3
Central, Eastern and Southern Europe	18.2	17.1	16.7	19.3	17.1	17.2	18.0	52.0	52.3	71.6
Other	6.4	6.0	6.3	6.3	7.3	6.9	8.5	18.7	22.7	29.0
<b>Total</b>	<b>163.0</b>	<b>135.7</b>	<b>131.1</b>	<b>139.4</b>	<b>182.5</b>	<b>193.2</b>	<b>192.9</b>	<b>429.8</b>	<b>568.6</b>	<b>708.0</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth (%)</b>										
Western Europe	-23%	-51%	-53%	-46%	20%	28%	84%	-43%	40%	14%
Nordics	14%	17%	23%	21%	11%	-5%	-7%	18%	-1%	5%
Central, Eastern and Southern Europe	6%	-1%	-7%	-4%	13%	10%	54%	-1%	23%	14%
Other	-12%	-13%	-26%	-32%	-27%	-18%	113%	-18%	1%	-9%
<b>Total</b>	<b>-11%</b>	<b>-30%</b>	<b>-32%</b>	<b>-26%</b>	<b>14%</b>	<b>15%</b>	<b>52%</b>	<b>-24%</b>	<b>25%</b>	<b>10%</b>
<b>TOTAL BY REGION</b>										
<b>Gross winnings revenue (GBP m)</b>										
Western Europe	151.8	119.5	127.1	122.9	189.6	245.0	240.9	398.4	675.5	798.4
Nordics	78.3	74.2	73.8	74.8	69.8	75.4	67.8	226.3	213.0	287.8
Central, Eastern and Southern Europe	27.5	26.2	27.8	27.6	25.6	28.3	29.0	81.5	82.9	110.5
Other	14.3	13.6	13.7	15.2	13.4	15.0	14.9	41.6	43.3	58.5
<b>Total</b>	<b>271.9</b>	<b>233.5</b>	<b>242.4</b>	<b>240.5</b>	<b>298.4</b>	<b>363.7</b>	<b>352.6</b>	<b>747.8</b>	<b>1,014.7</b>	<b>1,255.2</b>
<b>Share of total (%)</b>										
Western Europe	56%	51%	52%	51%	64%	67%	69%	53%	67%	63%
Nordics	29%	32%	31%	31%	23%	21%	19%	30%	21%	23%
Central, Eastern and Southern Europe	10%	11%	11%	12%	9%	8%	8%	11%	8%	9%
Other	5%	6%	6%	6%	4%	4%	4%	6%	4%	5%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth (%)</b>										
Western Europe	-20%	-51%	-47%	-48%	9%	74%	58%	-41%	45%	13%
Nordics	12%	-2%	9%	-1%	6%	26%	1%	6%	10%	7%
Central, Eastern and Southern Europe	7%	-7%	-4%	-17%	1%	33%	33%	-2%	21%	9%
Other	7%	-9%	-8%	-15%	-16%	14%	91%	-4%	17%	7%
<b>Total</b>	<b>-9%</b>	<b>-36%</b>	<b>-31%</b>	<b>-34%</b>	<b>6%</b>	<b>55%</b>	<b>41%</b>	<b>-26%</b>	<b>33%</b>	<b>11%</b>

## Non-Statutory Analysis of Gross Winnings Revenue (B2C)

These tables are for information only and do not form part of the condensed consolidated financial statements.

### Gross winnings revenue by product segment

TOTAL BY PRODUCT SEGMENT	2022				2021			2022	2021	2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
<b>Gross winnings revenue (GBP m)</b>										
Sports betting	108.9	97.8	111.3	101.1	115.9	170.5	159.7	318.0	446.1	547.2
Casino & games	149.5	123.4	119.8	127.3	168.3	177.2	175.9	392.7	521.4	648.7
Poker	7.4	6.6	7.1	7.2	6.9	7.5	9.2	21.1	23.6	30.8
Other	6.1	5.7	4.2	4.9	7.3	8.5	7.8	16.0	23.6	28.5
<b>Total</b>	<b>271.9</b>	<b>233.5</b>	<b>242.4</b>	<b>240.5</b>	<b>298.4</b>	<b>363.7</b>	<b>352.6</b>	<b>747.8</b>	<b>1,014.7</b>	<b>1,255.2</b>
<b>Share of total (%)</b>										
Sports betting	40%	42%	46%	42%	39%	47%	45%	42%	44%	44%
Casino & games	55%	53%	49%	53%	57%	49%	50%	53%	52%	52%
Poker	3%	3%	3%	3%	2%	2%	3%	3%	2%	2%
Other	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth (%)</b>										
Sports betting	-6%	-43%	-30%	-43%	-4%	153%	30%	-29%	43%	12%
Casino & games	-11%	-30%	-32%	-25%	16%	18%	56%	-25%	28%	12%
Poker	7%	-12%	-23%	-19%	1%	-23%	23%	-11%	-2%	-6%
Other	-16%	-33%	-46%	-38%	-9%	13%	15%	-32%	6%	-6%
<b>Total</b>	<b>-9%</b>	<b>-36%</b>	<b>-31%</b>	<b>-34%</b>	<b>6%</b>	<b>55%</b>	<b>41%</b>	<b>-26%</b>	<b>33%</b>	<b>11%</b>

### Sports betting margins

	2022				2021			2022	2021	2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
<b>Sports betting stakes (GBP m)</b>	<b>1,105.5</b>	<b>1,051.7</b>	<b>1,096.2</b>	<b>1,194.1</b>	<b>1,334.9</b>	<b>1,594.3</b>	<b>1,707.2</b>	<b>3,253.4</b>	<b>4,636.4</b>	<b>5,830.5</b>
Sports betting Gross winnings revenue:										
<b>Live betting (GBP m)</b>	<b>61.3</b>	<b>54.6</b>	<b>55.3</b>	<b>52.9</b>	<b>64.9</b>	<b>82.3</b>	<b>79.1</b>	<b>171.2</b>	<b>226.3</b>	<b>279.2</b>
Live betting margin (%)	10.0%	9.5%	9.7%	8.8%	9.0%	10.1%	9.1%	9.7%	9.6%	9.3%
Live betting share (%)	49.7%	48.7%	43.9%	45.9%	47.9%	42.0%	42.8%	47.4%	43.8%	44.2%
<b>Pre-game betting (GBP m)</b>	<b>62.0</b>	<b>57.6</b>	<b>70.7</b>	<b>62.4</b>	<b>70.5</b>	<b>113.6</b>	<b>105.8</b>	<b>190.3</b>	<b>289.9</b>	<b>352.3</b>
Pre-game betting margin (%)	12.6%	12.1%	13.4%	10.6%	11.5%	14.6%	12.7%	12.7%	13.6%	12.5%
Pre-game betting share (%)	50.3%	51.3%	56.1%	54.1%	52.1%	58.0%	57.2%	52.6%	56.2%	55.8%
<b>Total before free bets (GBP m)</b>	<b>123.3</b>	<b>112.2</b>	<b>126.0</b>	<b>115.3</b>	<b>135.4</b>	<b>195.9</b>	<b>184.9</b>	<b>361.5</b>	<b>516.2</b>	<b>631.5</b>
Sports betting margin - before free bets (%)	11.2%	10.7%	11.5%	9.7%	10.1%	12.3%	10.8%	11.1%	11.1%	10.8%
<b>Free bets (GBP m)</b>	<b>-14.4</b>	<b>-14.4</b>	<b>-14.7</b>	<b>-14.3</b>	<b>-19.5</b>	<b>-25.4</b>	<b>-25.2</b>	<b>-43.5</b>	<b>-70.1</b>	<b>-84.4</b>
<b>Total after free bets (GBP m)</b>	<b>108.9</b>	<b>97.8</b>	<b>111.3</b>	<b>101.0</b>	<b>115.9</b>	<b>170.5</b>	<b>159.7</b>	<b>318.0</b>	<b>446.1</b>	<b>547.1</b>
Sports betting margin - after free bets (%)	9.9%	9.3%	10.2%	8.5%	8.7%	10.7%	9.4%	9.8%	9.6%	9.4%

### Total margin across all product segments

	2022				2021			2022	2021	2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
Total margin all product segments - before free bets (%) <sup>1</sup>	5.6%	5.7%	5.6%	5.2%	4.8%	5.3%	4.8%	5.6%	5.1%	5.0%

<sup>1</sup> Includes sports betting and casino & games but excludes poker rakes and other revenues.

## Definitions

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**B2B:** Business-to-Business.

**B2C:** Business-to-Consumer.

**Cash conversion:** Free cash flow divided by underlying EBITDA.

**EBITDA:** Profit from operations before depreciation, amortisation and impairment losses.

**Free cash flow per share:** Free cash flow (as defined on page 18) divided by the weighted average number of outstanding shares.

**Gross winnings revenue:** Revenue from the Group's B2C business.

**Long-term average sports betting margin:** Average sports betting margin, after free bets, over the latest twelve reported quarters.

**LTM:** Last twelve months prior to each quarter end.

**Net cash/ (net debt):** Total borrowings less unrestricted cash.

**Other revenue:** Revenue from the Group's B2B business.

**Return on average equity (annualised):** Profit from operations divided by the average of opening and closing equity for the period.

**Underlying EBITDA:** EBITDA before personnel restructuring costs, merger and acquisition costs, disputed regulatory sanction, other gains/(losses) and fair value gain on previously held equity interest in Relax Gaming.

**Underlying EBITDA margin:** Underlying EBITDA divided by total revenue.

**Unrestricted cash:** Total cash at period end less customer balances.

## Presentation of the interim report

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Today, Thursday 27 October 2022, Kindred Group's CEO Henrik Tjärnström will host a web presentation in English at 10.00 (CEST) which will be web casted live on [www.kindredgroup.com/q32022](http://www.kindredgroup.com/q32022). For those who would like to participate in the telephone conference in connection with the presentation, access by registering [here](#). After registration you will be provided phone numbers and a conference ID to access the conference.

## Contact details

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## Forthcoming financial reporting timetable

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Full year report 2022	8 February 2023
Interim report January – March 2023	26 April 2023
Interim report January – June 2023	25 July 2023
Interim report January – September 2023	26 October 2023

