

We reiterate our underlying EBITDA guidance for the full year 2023 of at least GBP 200 million and anticipate full year 2024 underlying EBITDA to reach GBP 250 million.

Nils Andén, Interim CEO

KINDRED GROUP PLC

INTERIM REPORT JANUARY - SEPTEMBER 2023 (UNAUDITED)

Financial highlights

Third quarter 2023

- Total revenue was GBP 283.9 (277.8) million, an increase of 2 per cent.
- Gross winnings revenue (B2C) increased by 1 per cent to GBP 274.7 (271.9) million.
- Underlying EBITDA increased by 6 per cent to GBP 42.6 (40.3) million.
- Profit before tax was GBP 15.1 (60.3) million.
- Profit after tax was GBP 12.6 (57.9) million.
- Earnings per share were GBP 0.06 (0.26).
- Free cash flow amounted to GBP 24.5 (49.3) million.
- Number of active customers increased by 7 per cent to 1,563,762 (1,466,986).
- We reiterate our underlying EBITDA guidance for the full year 2023 of at least GBP 200 million, assuming a normalised sports betting margin during the fourth quarter.
- Based on current market growth expectations, and considering Kindred's announced interim strategic review update, Kindred anticipates the full year 2024 underlying EBITDA to reach GBP 250 million.

January- September 2023

- Total revenue was GBP 897.6 (763.2) million, an increase of 18 per cent.
- Gross winnings revenue (B2C) increased by 16 per cent to GBP 870.3 (747.8) million.
- Underlying EBITDA increased by 64 per cent to GBP 147.7 (90.1) million.
- Profit before tax was GBP 78.6 (74.9) million.
- Profit after tax was GBP 65.9 (70.1) million.
- Earnings per share were GBP 0.30 (0.32).
- 3,833,000 shares/SDRs were purchased, with a total value of SEK 443.7, or GBP 34.2 million.
- Free cash flow amounted to GBP 56.5 (38.7) million.

Key highlights

- Robust customer activity across core markets, with number of active customers increasing by 7 per cent. Offset by lower-than-expected sportsbook activity, due to a lighter events calendar and a weaker sports betting margin, and regulatory impacts across select core markets.
- Positive momentum in the casino & games segment, up 11 per cent year on year, underpinned by continued strong performance in select core markets.
- Unibet regained its position as number one operator in the Netherlands and the Group continued to deliver above-market growth in the UK.
- Actions identified to accelerate profitable growth: controlled cessation of North American operations, a reduction in headcount and operational costs, and increased focus on profitable growth.
- Kindred estimates underlying EBITDA for the full year 2024 to reach GBP 250 million.

Key figures

GBP m	Q3		Jan-Sep		Full year 2022
	2023	2022	2023	2022	
Revenue	283.9	277.8	897.6	763.2	1,068.7
EBITDA	33.9	76.3	132.6	119.9	187.5
Underlying EBITDA	42.6	40.3	147.7	90.1	129.2
Profit before tax	15.1	60.3	78.6	74.9	126.8
Profit after tax	12.6	57.9	65.9	70.1	120.1
Earnings per share (GBP)	0.06	0.26	0.30	0.32	0.54
Net cash / EBITDA, rolling 12-month basis	0.10	0.26	0.10	0.26	0.21
Free cash flow	24.5	49.3	56.5	38.7	69.6
Active customers (No.)	1,563,762	1,466,986			

CEO comment

Increase in active customers and actions identified to accelerate profitable growth

During the third quarter, we experienced continued growth in our casino segment and strengthening positions in the key Netherlands and UK markets. However, this growth was tempered by ongoing regulatory challenges in select core markets and an impacted sportsbook performance.

Strategic review – interim update

The strategic review initiated by the Board remains ongoing and we continue to advance a number of options to deliver shareholder value. The Board currently believes that shareholder value will be maximised through a third-party transaction. Complementary to this process, we are announcing specific operational initiatives, including (1) controlled cessation of our North American operations (2) reduction in headcount and operational costs (3) focus on profitable growth in core markets.

Kindred will immediately commence a controlled exit from North America with the intention of fully ceasing operations by the end of the second quarter of 2024, subject to regulatory process. The exit from our loss-making North American operations allow us to reallocate resources to drive growth in our core markets where we already have an established track record.

We have taken the decision to reduce our current global headcount by over 300 roles during 2024, including North America. We anticipate that the net impact will be lower as some of these roles will be replaced in low-cost locations, and we will also continue to invest in growth initiatives. I am confident that this will create a leaner organisation, enhance the Group's scalability, and improve focus on key growth initiatives. We expect the full year 2024 operating expenses (including salaries) to amount to approximately GBP 245 million.

Taken together, expected annualised gross cost savings from exiting North America and reducing headcount and other operational costs are estimated to be approximately GBP 40 million. It is regretful that valued colleagues will depart Kindred and we will work hard to support individuals.

Furthermore, there are focused efforts on delivering profitable growth which are well underway. Specific initiatives are targeted on:

- further accelerating growth of the casino vertical;

- growing profitable customer segments through optimised reward strategies and customer experience; and
- reallocation of resources and marketing investments into areas generating faster payback.

I am confident that Kindred is well-positioned to continue to deliver above market growth across our core markets, which have a combined estimated market size of GBP 25.3 billion and a forecast compound annual growth rate of 6 per cent over the coming five years.

We will provide a further update regarding the exploration of strategic alternatives when final decisions have been made by the Board of Directors.

In light of the announced internal restructuring and North America exit, we have decided to communicate underlying EBITDA guidance for the fiscal year 2024. Based on current market growth expectations, and considering Kindred's announced interim strategic review update, we anticipate the full year 2024 underlying EBITDA to reach GBP 250 million. We firmly believe that there is substantial opportunity to optimise our cost base, driving further recurring cash flow improvements.

We will provide a further update regarding the conclusion of the strategic review as and when appropriate.

Third quarter performance

Despite positive development in our casino segment and overall growth in active customers, weaker sports betting activity combined with regulatory measures in select core markets impacted total third quarter revenue to GBP 283.9 million.

However, I am pleased to see that we have regained our leading position in the Netherlands following our re-entry in July 2022. We also see positive momentum in the UK, with 7 per cent growth compared to the same period last year. In spite of this, disappointing sports betting levels across core markets, combined with a lower sports betting margin than our long-term average, negatively impacted overall performance.

Underlying EBITDA reached GBP 42.6 million, representing a margin of 15 per cent. This was impacted by weaker revenue than expected, however cost optimisation efforts throughout 2023 have mitigated the revenue shortfall. We reiterate our underlying EBITDA guidance for the full year 2023 of at least GBP 200 million, assuming a normalised sports betting margin during the fourth quarter.

Lower sports betting activity during the quarter

The sports betting margin at the beginning of the quarter was strong amidst a weaker major sporting calendar. A series of customer friendly results following the restart of major domestic and cup competitions contributed to a lower overall sports betting margin of 9.4 per cent after free bets, boosted by a reduction in free bets.

In addition to a reduced margin, less major football events versus the same period last year led to a reduction in sports betting activity across the quarter. Over 50 per cent of our sportsbook turnover is generated from football, so a reduction in fixtures across the major European leagues impacts overall performance.

Assuming a return to a sports betting margin consistent with the long-term average, I am confident that Gross winnings revenue from the segment will improve in the fourth quarter.

Casino & games development showing encouraging performance

Casino revenue is developing well, with Gross winnings revenue for the segment up by 11 per cent compared to the same quarter in 2022. Our casino & games product segment now contributes 61 per cent of our total Gross winnings revenue, testament to the strategic focus on developing a first-class customer offering, which has been further strengthened through exclusive content partnerships with Relax Gaming. Relax themselves had a very positive third quarter, with a highlight being the release of the fourth instalment of their award-winning 'Money Train' series.

Mixed performance in core markets

Our share of Gross winnings revenue from locally regulated markets increased to a new all-time high of 83 per cent. We remain strategically focussed on becoming a locally regulated operator, with long-term profitable growth across core markets. Growth in the third quarter was driven primarily from positive development in our Dutch, UK and Romanian markets.

Regulatory changes in Belgium continued following the implementation of customer deposit limits and we have been impacted by actions taken to optimise our customer base in the market. Similar to the journey taken in the UK, I expect to see a return to growth in Belgium in 2024.

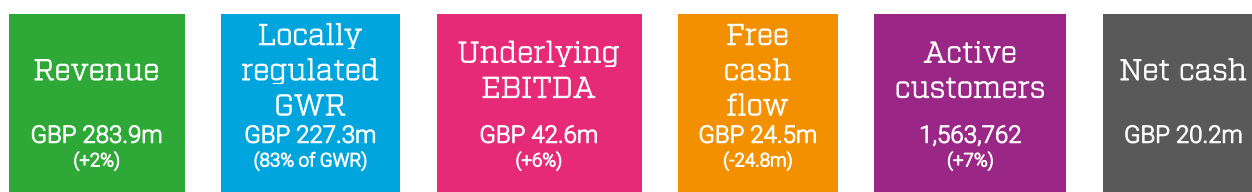
If we exclude Norway and Belgium, markets which are both experiencing regulatory impacts, we saw total revenue grow 7 per cent compared to the same quarter last year.

Looking ahead to a seasonally busy fourth quarter with a strong active customer base

I am encouraged by our growing active customer base during this seasonally busy fourth quarter and I expect to see a return to normalised levels of sports betting activity and further positive development in our casino & games segment.

Following the actions announced today, I am confident that Kindred will return to above-market growth across its core market portfolio during 2024.

Nils Andén , Interim CEO



Significant events

During the quarter

- On 11 July, Kindred announced it had launched its proprietary tech platform in Pennsylvania on 10 July.
- Kindred decided that it would exit its partnership agreement in Ohio. As a result, the Group has incurred a one-off cost of USD 5 (GBP 4) million, which was paid in full during the third quarter.

After the end of the quarter

- On 24 October, 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 2023, this was 3.3 per cent.
- As part of the Relax Gaming acquisition in October 2021, a put/call option structure was put in place. This structure allows the minority shareholders to sell their shares to Kindred, and Kindred to buy their shares, at a pre-agreed time period in the future and with a pre-defined valuation methodology. As a result of the exercise of put/call options in October 2023, Kindred’s ownership of Relax Gaming will rise to over 99 per cent once the transactions are finalised in 2024. This is expected to result in a cash outflow of approximately GBP 23 million (on a cash and debt free basis). This amount is subject to the audited performance of Relax Gaming for the 2023 financial year and is therefore subject to change.
- On 29 November, Kindred announced that its management team, with support from the Board, had identified actions to accelerate profitable growth. These include the controlled cessation of North American operations, a reduction in headcount and operational costs, and increased focus on profitable growth in core markets. More information can be found on page 2 and below. At the current time management has not been able to come up with a reasonable estimate of the full financial effect of these actions (encompassing the impact on costs, cash outflows and the impairment of assets) and will disclose this in due course.

Closure of North American operations

Kindred will immediately begin a controlled exit from North America (including all US states, and Ontario, Canada) with the intention of fully closing its North American operations by the end of the second quarter of 2024, subject to regulatory process.

The reasoning behind the decision is as follows:

- The long-term outlook for Kindred in North America has changed since entry. The competitive nature of the market means significant resource is needed to close the gap to market leaders and at our current capacity this is untenable.
- Despite optimisation efforts in recent quarters, continued losses from our North American operations place pressure on Group profitability and targets.
- Closure of North American operations allows for greater value creation in core group markets where we see a more attractive return on investment prospects.

In the coming months, Kindred will work closely with its partners within the North American region to ensure a controlled closure of operations. This process has already started, with the exit from the Ohio market access agreement during the third quarter of 2023, as detailed above.

Whilst closure of North American operations will have a short-term negative impact for cash flow in the fourth quarter of 2023 and in 2024, we are confident that it is the correct decision for driving long-term return for the Group.

Trading update

The average daily Gross winnings revenue for the Group, up to and including 26 November 2023, was GBP 3.08 million, 4 per cent lower (3 per cent lower in constant currency) than the daily average for the full fourth quarter of 2022.

Sports betting Gross winning revenue has been negatively impacted by a weak sports betting margin of 8.6 per cent after free bets for the above period, which is below the long-term average margin of 9.7 per cent.

Customer activity (B2C)

For the third quarter of 2023, the number of B2C active customers amounted to 1,563,762 (1,466,986), a 7 per cent increase compared to the third quarter of 2022. Given the third quarter of 2022 saw Kindred in the earliest stage of re-entry into the Dutch market, there is still some distortion in the comparative figures.

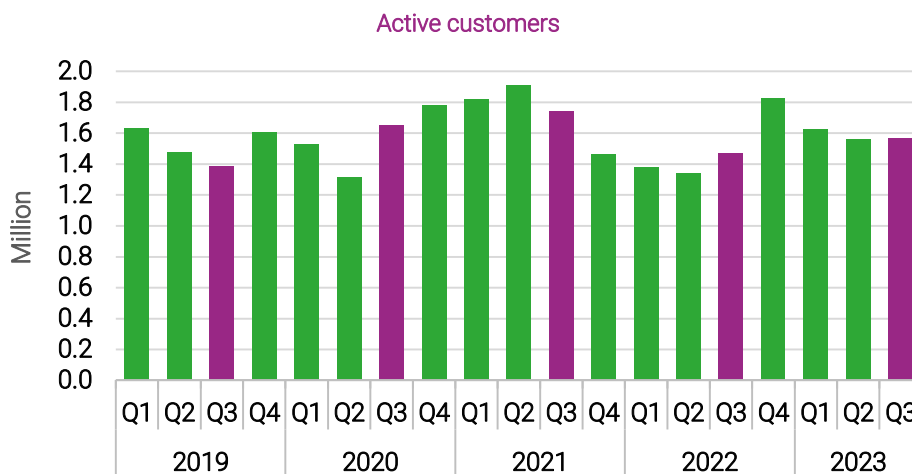
The trend in the number of active customers can be seen in the graph below, with an active customer defined as one placing a bet in the last three months.

1,563,762

Active customers for Q3 2023

+7%

Active customer increase from Q3 2022



Financial review

Revenue

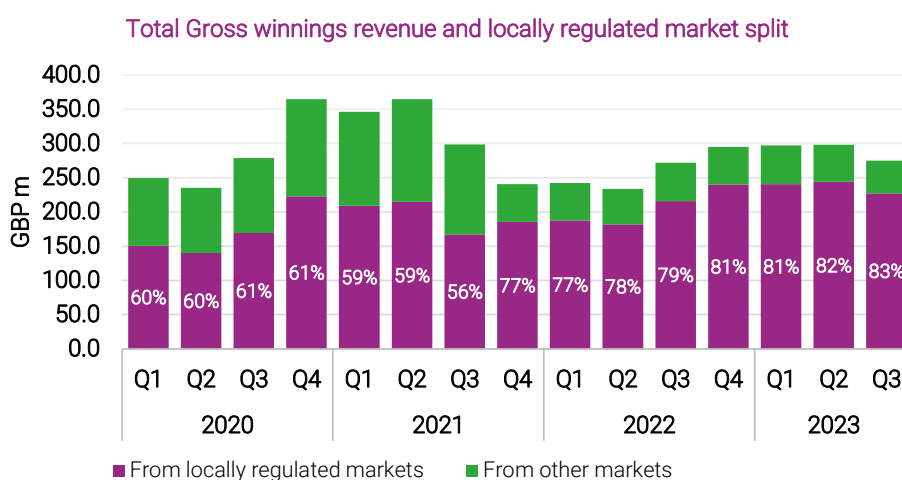
GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Gross winnings revenue (B2C)	274.7	271.9	870.3	747.8	1,042.9
Other revenue (B2B)	9.2	5.9	27.3	15.4	25.8
Revenue	283.9	277.8	897.6	763.2	1,068.7

Total revenue for the third quarter of 2023 amounted to GBP 283.9 (277.8) million and for the period January to September 2023 was GBP 897.6 (763.2) million. This includes Gross winnings revenue from the B2C business, and other revenue from the B2B business, Relax Gaming. For explanation of variances to comparative periods in the prior year refer to the relevant sections on the following pages, and for further analysis of these numbers refer to pages 28 and 34.

Gross winnings revenue (B2C)

Gross winnings revenue for the third quarter of 2023 amounted to GBP 274.7 (271.9) million, an increase of 1 per cent (2 per cent in constant currency) from the same period in the prior year. This was supported by growth in the Dutch market since the prior year (following re-entry into the market in July 2022) and certain other core markets, as well as strong growth in the casino segment. However, weaker sports betting activity combined with regulatory measures, in markets such as Belgium and Norway, restricted Gross winnings revenue growth for the quarter.

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 2023, the percentage has reached another all-time high as it continues to increase gradually quarter on quarter in 2023. The Group maintains its ambition to be a locally regulated operator, by increasing Gross winnings revenue from locally regulated markets and generating 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 35 and 36.

GBP

283.9m

Total revenue for Q3 2023

+2%

Total revenue increase from Q3 2022 (+4% in constant currency)

GBP

274.7m

Gross winnings revenue for Q3 2023

+1%

Gross winnings revenue increase from Q3 2022 (+2% in constant currency)

83%

Gross winnings revenue from locally regulated markets for Q3 2023 (79% in Q3 2022)

Gross winnings revenue by region

Western Europe

Gross winnings revenue amounted to GBP 169.7 (151.8) million for the third quarter of 2023, an increase of 12 per cent from the same period in 2022. 4 July 2022 marked the first day of activity for the Unibet.nl site such that Dutch revenues were included in most of the comparative period and numbers are no longer distorted to the same extent as we have seen in recent periods. The segment continues to be impacted in Belgium due to regulatory and safer gambling measures introduced in the market in the latter part of 2022, whilst we saw good growth in the UK and Netherlands.

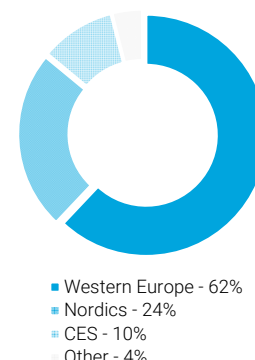
Gross winnings revenue in the Dutch market saw 80 per cent growth in local currency in the third quarter of 2023 compared to the third quarter of 2022. Casino revenues are developing particularly well with Gross winnings revenue more than doubling in this quarter compared to previous year. Despite the summer break for football, quarterly actives saw growth of 7 per cent in the third quarter of 2023 compared to the second quarter of 2023, which translated to sequential growth in customer deposit values.

The UK continued to report good growth in the third quarter of 2023, with an increase of 7 per cent compared to the third quarter of 2022. Margin and bonus efficiencies continue to be crucial to ensuring the value of our customer base can evolve despite additional restrictions imposed on the top-spending accounts. Growth is driven from an increase in active customers of 12 per cent in the third quarter of 2023 compared to the third quarter of 2022.

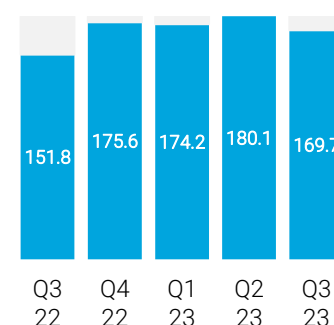
France saw Gross winnings revenue in the third quarter of 2023 decrease by 13 per cent compared to the third quarter of 2022 in local currency. The disappointing performance is the result of a weak sports betting margin, whilst Sports betting turnover performed in line with prior year comparatives which is in the context of weaker football seasonality due to the later scheduling this year. Poker continues to grow well, with Gross winnings revenue increasing by 7 per cent in the third quarter of 2023 compared to that of 2022.

Belgium Gross winnings revenue declined by 25 per cent in local currency in the third quarter of 2023, compared to the equivalent period in 2022. In the fourth quarter of 2022, a new weekly deposit limit of EUR 200 was launched. This was in addition to safer gambling and affordability measures that have been pro-actively implemented, which take responsible gambling processes far beyond that of our competitors. Whilst these measures continue to negatively impact headline revenue in the market, the changes mean the customer base in the third quarter of 2023 was significantly more sustainable compared to 12 months ago, and like the journey seen in the UK, the Belgian market is expected to return to growth in 2024.

GWR by region (Q3 2023)



Western Europe GWR (GBP m)



Nordics

Nordic Gross winnings revenue amounted to GBP 65.3 (78.3) million for the third quarter of 2023, a decrease of 17 per cent from the equivalent period in 2022. Sports betting Gross winnings revenue decreased by 25 per cent in the third quarter of 2023 compared to the same period in 2022 largely due to weaker sports betting margins. Casino Gross winnings revenue decreased by 13 per cent versus the equivalent period of 2022. Performance in both products was impacted by the changes made to our offering for Norwegian customers in the fourth quarter of 2022 which continues to impact performance in the third quarter of 2023 within the Nordics segment.

In local currency, Gross winnings revenue in Sweden for the third quarter of 2023 decreased by 14 per cent compared to the third quarter of 2022. The decline in Gross winnings revenue is largely driven by weak sports betting activity and margin. During 2023, additional safer gambling and affordability measures have been implemented across all brands in the market putting pressure on Gross winnings revenue from customers in top value segments, but this is again offset by growth in the recreational base. Active customers grew by 10 per cent in the third quarter of 2023 versus the equivalent period of 2022.

Compared to the same period in 2022, Gross winnings revenue in Denmark increased by 1 per cent in local currency in the third quarter of 2023. Casino Gross winnings revenue drove the growth, improving by 5 per cent in local currency compared to the same period in 2022, with active customers for our casino product across both brands increasing by 18 per cent versus the same period in 2022.

Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 27.6 (27.5) million in the third quarter of 2023, which remained flat when compared to the equivalent period in 2022. Sports betting Gross winnings revenue declined by 20 per cent versus the same period in 2022 largely due to weaker sports betting margins. This was offset by growth in casino Gross winnings revenue of 7 per cent compared to the equivalent period in 2022. This growth was driven by Romania, where casino Gross winnings revenue increased by 11 per cent in local currency compared to the equivalent period in 2022 through better casino player values.

Other regions

Other regions Gross winnings revenue amounted to GBP 12.1 (14.3) million for the third quarter of 2023, decreasing by 16 per cent compared to the third quarter of 2022.

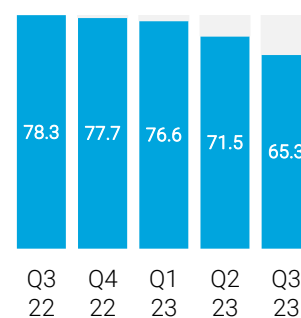
Gross winnings revenue in Australia declined by 5 per cent in local currency in the third quarter of 2023 compared to the third quarter of 2022. The decline was driven by lower customer activity and, as a result, lower sports betting turnover.

North America

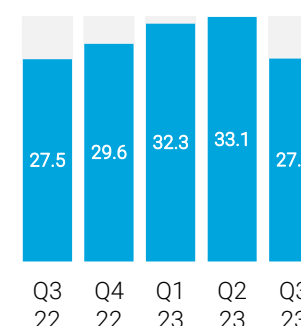
Gross winnings revenue for the North American market amounted to GBP 6.4 (7.8) million in the third quarter of 2023, a decrease of 11 per cent in constant currency compared to the third quarter of 2022. Kindred's measured approach to North American investment in 2023 continued into the third quarter, with marketing spend decreasing by 19 per cent in local currency compared to the third quarter of 2022, which undoubtedly contributed to lower revenues.

As described in more detail on pages 2 and 4, the Group's North American operations will be closed in 2024. The competitive nature of the market, combined with the Group resources needed to close the gap to industry leaders, means profitability was unlikely within a reasonable timeframe.

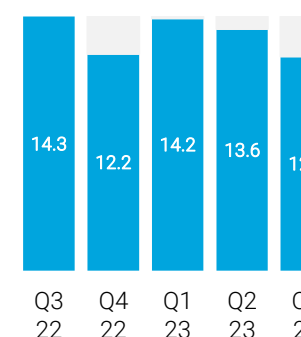
Nordics GWR (GBP m)



Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)



Gross winnings revenue by product segment

Sports betting

Sports betting Gross winnings revenue saw a decrease of 13 per cent in the third quarter of 2023 when compared to the third quarter of 2022.

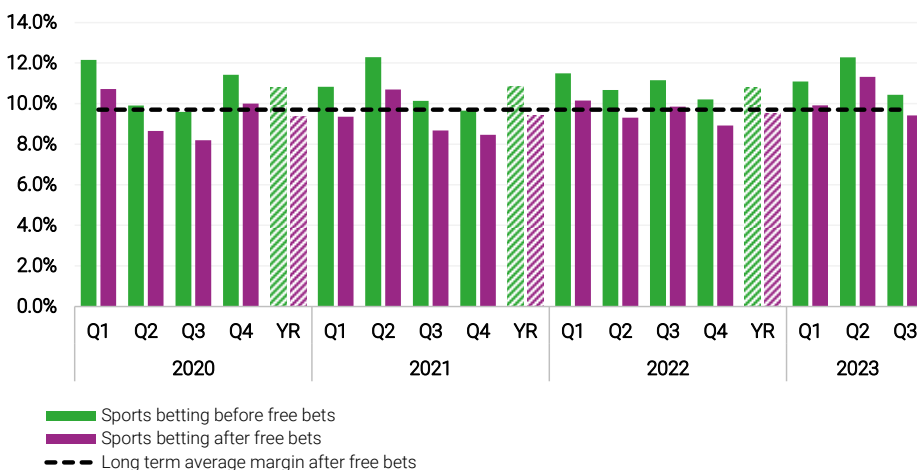
Sports betting turnover for the third quarter of 2023 was 9 per cent lower compared to the third quarter of 2022. The number of sportsbook active customers has grown by 1 per cent in the third quarter of 2023 compared to the third quarter of 2022, however lower stakes per customer and adverse sports betting margin caused the decline in revenues. The start of the quarter saw a strong Women’s World Cup but, overall, it was a quiet summer period. In the latter part of the quarter, football seasonality was again weaker with the number of top league fixtures reducing by 16 per cent compared to the equivalent period in 2022.

The gross margin for total sports betting for the third quarter of 2023 before free bets was 10.4 (11.2) per cent and after free bets was 9.4 (9.9) per cent. Despite only being marginally behind the Group’s long-term average of 9.7 per cent, this margin was more significantly behind internal expectations given the upwards trend seen in recent periods. 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 where pre-match and racing products trade at a higher margin than live betting. The trend on sports betting activity continues to push towards higher share from multiple and Bet Builder bet types, with these typically also trading at a higher margin. 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.

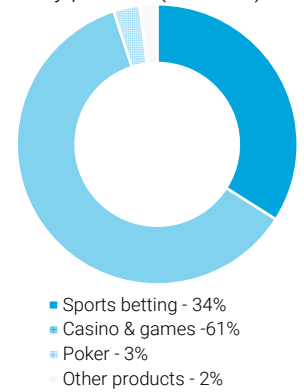
Kindred’s proprietary racing product contributed 7 per cent to total sports betting Gross winnings revenue in the third quarter of 2023.

The bars in the graph below show total sports betting gross margin by quarter and full year. Please refer to page 36 for more information on sports betting margins.

Gross margin on sports betting



GWR by product (Q3 2023)



9.4%

Sports betting margin after free bets for Q3 2023, lower, than the long-term average of 9.7%

-13%

Sports betting Gross winnings revenue decrease from Q3 2022

Casino & games

During the third quarter of 2023, Gross winnings revenue for casino & games has increased by 11 per cent compared to the same quarter of the previous year, while active customers saw an increase of 14 per cent.

Growth is driven by strong performance in some key markets: UK, Netherlands, Denmark and Romania included. The enforcement of lower deposit limits from October 2022 continued to impact the casino Gross winnings revenue in Belgium, which declined by 22 per cent in local currency in the third quarter of 2023 compared to the equivalent period in 2022. The changes made to our offering in Norway during the fourth quarter of the previous year, also continued to negatively impact the performance of the third quarter of 2023.

Poker and other products

Gross winnings revenue from poker and other products during the third quarter of 2023 amounts to GBP 14.2 (13.5) million, a 5 per cent growth compared to the same period in 2022. Poker and other products active customers have increased by 13 per cent during this quarter when compared to the equivalent quarter last year.

+11%

Casino & games Gross winnings revenue increase from Q3 2022

+5%

Poker and other products Gross winnings revenue increase from Q3 2022

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 the aggregator business and by offering Relax Gaming's own content to a wide portfolio of operators.

The Relax Gaming business continues to grow from strength to strength, showing significant revenue growth in the third quarter of 2023 when compared to the same period in the prior year. Other revenue, as reported, amounted to GBP 9.2 (5.9) million for the quarter, an increase of 56 per cent (39 per cent when adjusting the comparative as described below). Total Relax Gaming revenue, before the elimination of Kindred Group revenues, amounts to GBP 12.2 (8.9) million for the quarter, an increase of 37 per cent (27 per cent when adjusting the comparatives as described below).

The strong revenue growth is driven by broader distribution of Relax Gaming's own content and successful game launches, as well as the success of the Dream Drop jackpot feature across all Relax Gaming operators. During the third quarter, Relax Gaming successfully launched 7 games, including Dream Drop jackpot games and specifically, Jungle Jamboree Dream Drop which was an exclusive launch for Kindred. September also saw the release of the highly anticipated Money Train 4 (on 20 September). There is optimism since launch and stronger revenues are anticipated as a result in the fourth quarter.

As reported in the fourth quarter of 2022, following a review of the accounting treatment of certain Relax Gaming revenue items, other revenue is now recognised slightly differently since this date. The comparative for the third quarter of 2022 has not yet been restated, given the minimal impact. However, the impact of this on the comparative numbers would have been a gross up of the value of both other revenue and cost of sales by GBP 0.7 million.

Group costs and profitability

Cost of sales

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Betting duties	-73.7	-70.3	-235.3	-189.5	-272.8
Marketing revenue share	-9.2	-9.7	-27.9	-31.9	-41.8
Other cost of sales	-42.2	-43.8	-130.8	-122.5	-170.3
Cost of sales	-125.1	-123.8	-394.0	-343.9	-484.9

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 and period January to September 2023, betting duties have increased in absolute terms from the same periods in the prior year, as expected. However, they have also increased as a percentage of the Group's Gross winnings revenue. This is due to market mix, with a higher proportion of revenues now coming from locally regulated markets. This is most notably in relation to the Dutch market, which has been steadily growing following re-entry into the market in July 2022.

Marketing revenue share and other cost of sales for the third quarter of 2023 and period January to September 2023 have both, as a percentage of revenue, dropped when compared to the same period in the prior year. This is a result of both the increase in the Group's scalability, as revenues from the Dutch market return and grow, and the continued drive for efficiencies in these areas.

GBP

9.2m

Other revenue for Q3 2023

+39%

Other revenue increase from Q3 2022 (when adjusting for the reclassification, as detailed in the report)

Gross profit

Gross profit for the third quarter of 2023 was GBP 158.8 (154.0) million, and for the period January to September 2023 was GBP 503.6 (419.3) million, increases of 3 and 20 per cent from the same periods in 2022 respectively. Gross profit movements are driven by the movements in revenue and cost of sales, as previously explained.

Despite the additional betting duty pressures from the Dutch market, the gross profit margin for the quarter has increased from the same period in the prior year. Cost of sales efficiencies, noted above, have helped this development as well as an increased contribution from Relax Gaming as it continues to perform well and grow.

56%

Gross profit margin in Q3 2023 (compared to 55% in Q3 2022 and 56% in Q2 2023)

Marketing costs

Marketing costs amounted to GBP 53.4 (53.0) million for the quarter, up from GBP 52.6 million in the second quarter of 2023. Marketing costs for the period January to September 2023 were GBP 160.8 (160.1) million. Despite increased investment in the Netherlands, following market re-entry in July 2022, this has been offset by decreased investment in North America (with prioritisation towards areas with maximum growth potential and managing losses) and .com markets (due to regulatory changes). The increase from the second quarter of 2023 is primarily driven by the usual seasonality of sporting events, as the sporting calendar picks back up again in the third quarter.

23%

B2C marketing, as a percentage of Gross winnings revenue for Q3 2023 (compared to 23% in Q3 2022 and 21% in Q2 2023)

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. This metric has remained flat at 23 (23) per cent for the quarter when compared to the third quarter of 2022. When compared to the second quarter of 2023, the increase is a result of the decline in Gross winnings revenue.

Administrative expenses

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Salaries	-40.5	-37.7	-126.9	-105.2	-140.8
Other operating expenses	-22.3	-23.0	-68.2	-63.9	-86.6
Depreciation of property, plant and equipment	-2.6	-3.6	-8.5	-10.8	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-10.3	-8.9	-12.1
Amortisation of intangible assets	-10.3	-7.8	-28.4	-22.0	-30.1
Total administrative expenses	-79.1	-75.1	-242.3	-210.8	-283.6

The increase in salaries in the third quarter of 2023 and for the period January to September 2023, when compared to the same periods in the prior year, continues to be the result of selective headcount growth over the past year to recruit key talent to drive the business forward and annual salary increases. This includes key talent for the development of the proprietary sportsbook platform. Compared to the second quarter of 2023 salaries have decreased, with the Group's focus on cost optimisation stemming cost growth in this area. This was also supported by lower variable employee compensation in the third quarter.

Other operating expenses decreased slightly from the same period in 2022 and the second quarter of 2023. Increases in certain costs linked to headcount growth, as well as increased consultancy costs to support the development of the proprietary sportsbook platform (as described above), are offset by the Group's cost optimisation actions taken.

The increase in amortisation of intangible assets for the third quarter and period January to September 2023, when compared to the same periods in 2022, is primarily the result of additional amortisation charges from increased capitalisation of development work in recent quarters and increased charges following the initial launch of the Group's proprietary platform in the US in the second quarter of 2023. Included within total amortisation is amortisation of intangible assets that arose on acquisitions amounting to GBP 2.5 (2.5) million for the third quarter of 2023 and GBP 7.6 (7.4) million for the period January to September 2023.

Underlying EBITDA

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Gross profit	158.8	154.0	503.6	419.3	583.8
Marketing costs	-53.4	-53.0	-160.8	-160.1	-227.2
Salaries	-40.5	-37.7	-126.9	-105.2	-140.8
Other operating expenses	-22.3	-23.0	-68.2	-63.9	-86.6
Underlying EBITDA	42.6	40.3	147.7	90.1	129.2

Underlying EBITDA for the quarter, as defined above, increased by 6 per cent from the same quarter in the prior year whilst the underlying EBITDA margin remained flat. When comparing to the second quarter of 2023, the underlying EBITDA margin has decreased by 3 percentage points. This is predominantly driven by the decrease in revenue, which puts pressure on the Group's scalability.

Underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the North American market of GBP 6.5 (9.8) million, up from GBP 5.1 million for the second quarter of 2023. The improvement from the same period in the prior year is primarily the result of recent focus placed on taking a measured approach to investment levels and reducing losses in the market. As described in more detail on pages 2 and 4, the Group's North American operations will be closed in 2024. Excluding the impact of North America, the underlying EBITDA margin for the quarter was 18 (19) per cent.

Underlying EBITDA for the quarter also includes the impact of Relax Gaming on the Group's consolidated underlying EBITDA of GBP 5.9 (4.3) million, a 37 per cent increase from the same period of the prior year and an 18 per cent increase from the second quarter of 2023. This continues to demonstrate the strength and scalability of the Relax business.

Items affecting comparability

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Personnel restructuring costs	-1.8	-0.1	-5.7	-0.3	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-5.0	-	-7.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-0.8	-	-0.8	-0.8
Strategic review costs	-0.6	-	-2.5	-	-
Other (losses)/gains	-1.3	36.9	0.7	31.5	69.9
Items affecting comparability	-8.7	36.0	-15.1	29.8	58.3

Items affecting comparability amounted to a negative contribution of GBP 8.7 (positive contribution of 36.0) million for the quarter.

Personnel restructuring costs of GBP 1.8 (0.1) million follow on from those recognised during the first half of the year. They relate to organisational changes and cost optimisation actions that are being taken to ensure that the Group optimises its headcount to create cost and operational efficiencies.

Market closure and contract termination costs of GBP 5.0 (nil) million for the quarter relate to contract termination costs for the US market and customer claims. Contract termination costs relate primarily to the decision to exit the Group's partnership agreement in Ohio, which resulted in a one-off cost of USD 5 million. Customer claims are not considered to be a part of the Group's core business and are therefore recognised within items affecting comparability.

GBP

42.6m

Underlying EBITDA for Q3 2023

15%

Underlying EBITDA margin in Q3 2023 (compared to 15% in Q3 2022 and 18% in Q2 2023)

18%

Underlying EBITDA margin, excluding North America, in Q3 2023 (compared to 19% in Q3 2022 and 20% in Q2 2023)

Strategic review costs of GBP 0.6 (nil) million relate to costs being incurred by the Board of Directors in relation to the review of strategic alternatives announced on 26 April 2023.

Other (losses)/gains for the third quarter of 2023 comprise foreign currency losses of GBP 1.1 (losses of 3.7) million as well as fair value losses of GBP 0.2 (gains of 40.6) million primarily in relation to forward contracts. As previously reported, fair value gains in the third quarter of 2022 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. Foreign exchange losses for the quarter were primarily impacted by the weakening of the British Pound against the Group's main currencies and 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.

EBITDA and profit from operations

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Underlying EBITDA	42.6	40.3	147.7	90.1	129.2
Personnel restructuring costs	-1.8	-0.1	-5.7	-0.3	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-5.0	-	-7.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-0.8	-	-0.8	-0.8
Strategic review costs	-0.6	-	-2.5	-	-
Other (losses)/gains	-1.3	36.9	0.7	31.5	69.9
EBITDA	33.9	76.3	132.6	119.9	187.5
Depreciation of property, plant and equipment	-2.6	-3.6	-8.5	-10.8	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-10.3	-8.9	-12.1
Amortisation of intangible assets	-10.3	-7.8	-28.4	-22.0	-30.1
Profit from operations	17.6	61.9	85.4	78.2	131.3

EBITDA for the third quarter of 2023 was GBP 33.9 (76.3) million and profit from operations for the third quarter of 2023 was GBP 17.6 (61.9) million. For the period January to September 2023, EBITDA was GBP 132.6 (119.9) million and profit from operations was GBP 85.4 (78.2) 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 explained in previous sections.

Net finance costs/income

Net finance costs for the third quarter of 2023 were GBP 2.5 (1.6) million and for the period January to September 2023 were GBP 6.8 (3.3) million. This primarily comprises interest and fees on borrowings which amounted to GBP 2.7 (1.2) million for the third quarter and GBP 7.4 (2.7) million for the period January to September 2023.

Profit before tax

Profit before tax for the third quarter of 2023 was GBP 15.1 (60.3) million. Profit before tax for the period January to September 2023 was GBP 78.6 (74.9) million.

Profit after tax

Profit after tax for the third quarter of 2023 was GBP 12.6 (57.9) million. Profit after tax for the period January to September 2023 was GBP 65.9 (70.1) million. The effective tax rate for the period is slightly higher than the full year of 2022 due to an increase in corporation tax rates in some jurisdictions in 2023 and certain items being excluded for tax purposes in 2022, resulting in a slightly lower effective tax rate last year.

GBP

12.6m

Profit after tax for Q3 2023

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 1.6 (1.9) million for the third quarter. At 30 September 2023, a gain of GBP 10.5 (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 taken to equity', 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 2023 stood at GBP 248.8 (264.9) million while at the beginning of the quarter it was GBP 223.4 (216.4) million. Please refer to the cash flow section for more detail on the movement during the period and to page 33 for a reconciliation of the unrestricted cash balance.

At 30 September 2023, GBP 153.9 (136.8) million of the Group's facilities was utilised out of a total of GBP 221.9 (191.3) million. The existing financing under the facilities agreement runs until November 2025, with the total committed facilities currently amounting to EUR 256.7 million. The facility also, however, includes an uncommitted accordion feature that permits, under certain conditions, an increase in total commitments up to EUR 325.0 million. The total borrowings recognised in the statement of financial position of GBP 153.1 (136.2) million are reported net of the associated transaction fees for the facilities agreement which are being expensed over its duration.

The Group is therefore in a net cash position, amounting to GBP 20.2 (55.3) million at 30 September 2023. Net cash / EBITDA (rolling 12-month basis) for the quarter was 0.10 (0.26).

GBP

20.2m

Net cash at 30 September 2023

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 2023 and the period January to September 2023, intangible assets of GBP 9.5 (9.6) million and GBP 31.7 (28.0) million have been capitalised respectively. The variances from the same periods in the prior year related primarily to capitalised development costs.

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 2023 were GBP 9.5 (9.3) million, bringing the total capitalised for the period January to September 2023 to GBP 31.6 (26.7) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining. The increases when compared to the same periods in 2022 relate to selective headcount increases in the Group's Tech and Development function to support the launch of its proprietary platform in North America and the development of its in-house sportsbook platform. When comparing the third quarter of 2023 to previous quarters in 2023, the decline in capitalised development costs is a result of the completion and launch of the proprietary platform in New Jersey and Pennsylvania in May and July 2023 respectively.

Cash flow

Net cash generated from operating activities amounted to GBP 44.6 (69.5) million for the third quarter of 2023, and GBP 102.0 (84.8) million for the period from January to September 2023. The movements when comparing to the same periods in 2022 is predominantly attributable to the fluctuations in underlying EBITDA, as previously explained, but also more significant working capital movements. Working capital movements are largely attributable to the fluctuations in timing of tax and supplier payments, which can be significant and cause large swings from period to period.

Cash flows used in investing activities were GBP 10.2 (11.7) million for the third quarter of 2023 and GBP 32.8 (38.6) million for the period January to September 2023. On top of the movements in capital investments detailed above, which impact both aforementioned periods, the period January to September 2023 is also impacted by the final earn-out payment for Relax Gaming of GBP 1.9 (4.4) million and the repayment of the convertible bond from Kambi Group plc of GBP 6.5 (nil) million, both in the second quarter of 2023.

Cash flows used in financing activities for the quarter were primarily impacted by the repayment of borrowings totalling GBP 5.1 (nil) million. For the period from January to September 2023, cash flows used in financing activities were impacted by share purchases of GBP 34.2 (33.9) million, net proceeds from borrowings of GBP 23.0 (22.1) million and the payment of the first instalment of the 2022 dividend of GBP 37.2 (36.8) million. The second instalment of the dividend was paid on 27 October 2023.

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Net cash generated from operating activities	44.6	69.5	102.0	84.8	138.7
Purchases of property, plant and equipment	-1.3	-2.2	-7.0	-6.6	-9.5
Development and acquisition costs of intangible assets	-9.5	-9.6	-31.7	-28.0	-38.3
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-0.9	-1.2
Repayment of lease liabilities	-3.4	-3.0	-10.7	-9.2	-11.9
Adjust for: customer balance movement	-5.6	-5.1	4.8	-1.4	-8.2
Free cash flow	24.5	49.3	56.5	38.7	69.6

Free cash flow, as defined in the table above, decreased by GBP 24.8 million for the quarter and increased by GBP 17.8 million for the period January to September, when compared to the same periods in the prior year. This is predominantly the result of movements in net cash generated from operating activities and capital investments, as explained above.

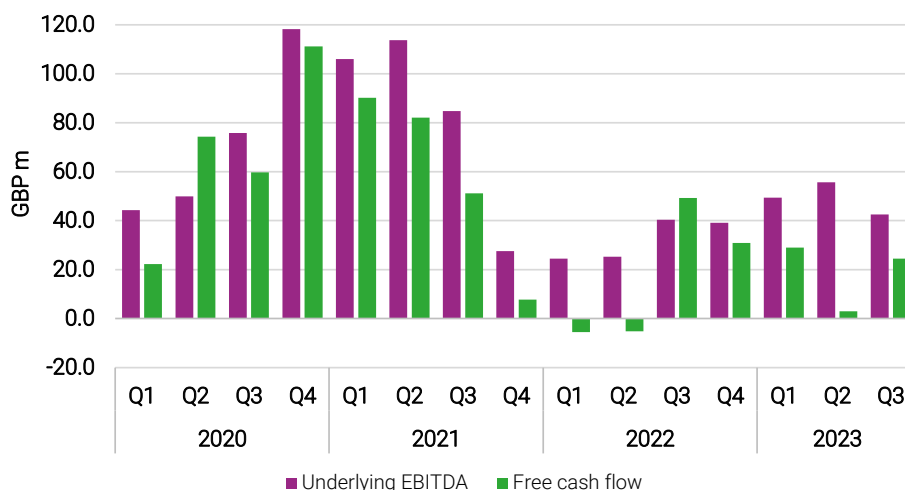
Quarterly underlying EBITDA and free cash flow are shown in the graph below, with cash conversion for the third quarter of 2023 standing at 58 (122) per cent. The significant decrease in cash conversion from the third quarter of 2022 is directly attributable to the significant movement in working capital between the two quarters, as noted above.

GBP

24.5m

Free cash flow for Q3 2023

Underlying EBITDA and free cash flow



Operational review

Market overview

Denmark

During the quarter, one new operator entered the Danish market, and a new consumer brand was introduced. The Danish Gambling Authority blocked 49 illegal sites and announced a bi-annual process of IP blocking. Kindred continues to contribute to a dialogue with legislators and trade associations regarding any revision of gambling legislation.

Finland

Gaming regulation in Finland will be undertaken by the Ministry of Interior, with the regulation process following two legislative acts; amendments to the current Lotteries Act and a new Act to establish an independent regulatory authority. A State Secretary steering group will monitor the process, with the government intending to adopt a local licensing regime for online gambling before 2026.

Netherlands

Based on the latest KSA monitoring report, Kindred has now achieved the market leading position in the Netherlands.

A KSA report into the fulfilment of duty of care responsibilities by ten initial license holders concluded that enforcement action should happen quicker and with more effect than at the current time. Kindred looks forward to contributing further to this dialogue.

Norway

During the quarter the Liberal Party arranged a political seminar on DNS-blocking, attended by both supporters and opponents of the measure. This followed a public consultation on DNS blocking announced earlier this year.

North America

In the third quarter of 2023, Kindred continued the rollout of its proprietary platform with the launch in Pennsylvania.

Kindred will immediately commence a controlled closure of its North American operations, with the intention of fully closing its North American operations by the end of the second quarter of 2024, subject to regulatory process. For more detail, please refer to pages 2 and 4.

Sweden

The Swedish market continues to feel the impact of enhanced customer controls. During 2023, additional safer gambling, AML and affordability measures have been implemented across all Kindred brands in the market. Figures published by the Swedish Tax Authority show that the overall Swedish online gambling market has contracted during the quarter.

As part of the Government's budget for 2024, it has proposed an increase of the betting duties from the current 18 per cent to 22 per cent. This is proposed as part of the ambition to finance increased public spending, however it is expected that it will lead to lower channelisation and thereby lower customer protection.

Romania

Amidst comprehensive marketing campaigns and robust third quarter performance, Romania unveiled regulatory developments through new gambling emergency ordinances and fiscal amendments. These initiatives aim to manage the national budget deficit and refine gambling operations, hinting at a transformative period ahead.

UK

The first wave of consultations following the publication of the White Paper were released with online slot limits, financial risk checks and marketing opt-in requirements all being consulted on.

Product segment overview

Sports betting - KSP development

The production testing for the Kindred Sportsbook Platform remains on track for initiation by the end of 2023, with a market ready to be selected for an inaugural public test launch in early 2024.

Sports betting - current operations

A comprehensive overhaul of various paybacks was carried out during the third quarter in all our markets, with the objective of optimising customer experience and competitiveness.

Live casino

During the quarter, several enhancements were delivered within the live casino segment. New customer offerings were launched, including three unique game shows by Evolution and a distinct game show - Vegas Ball Bonanza - by Pragmatic Play. Game widgets were also introduced, providing a platform to spotlight diverse content, and the live casino offering within the Swedish market was expanded.

Casino

During the third quarter, the casino business has continued to focus on offering a strong and diverse casino product supported by the release of 18 exclusive slots and further content through two new suppliers. Two exclusive games were launched in collaboration with Relax Gaming, one of which features the popular Dream Drop jackpot functionality. In addition, during the third quarter Kindred continued adding to a market-leading offering on classic slots in the Netherlands with the release of two more exclusive slots.

Poker

Customers were introduced to a new, tailored dashboard and landing page upon first login that offers a customised user experience. Qualifications for several live events were hosted, including the Unibet Open Bucharest and the Swedish Championships.

Upcoming key events include the Unibet Open in Bucharest and the International Poker Open in Dublin, presenting optimistic engagement and performance opportunities in the fourth quarter.

Sustainability overview

The next Sustainable Gambling Conference will be held on 20 March 2024, in London at the Kia Oval. Registration is available on www.sustainablegambling.com.

The Corporate Sustainability Reporting Directive (CSRD) is the reporting standard Kindred is required to align with for the 2025 annual sustainability report (based on the 2024 calendar year). Kindred has initiated its double materiality assessment and established a governance group to ensure the requirements are met.

In the third quarter of 2023, Kindred achieved the highest percentage of customers displaying improved gambling behaviour as a result of our detection and intervention initiatives since the start of our Journey towards Zero. The revenue share from harmful gambling increased slightly to 3.3 per cent.

During the quarter, the commitment to progress continued as the implementation of PS-EDS Automated Interventions expanded across more markets. This expansion has enabled an increase in the volume of cases detected in the lower risk category and has also enhanced the speed at which interventions can be provided. Additionally, efforts towards improving the PS-EDS detection system have continued.

The introduction of cross-brand Safer Gambling tools has also expanded in selected markets, increasing the efficiency of such tools to help customers keep gambling at a fun and sustainable level.

Another focus area during the third quarter has been to intensify the training of customer-facing employees, reflecting a dedication to fostering strong Safer Gambling practices.

Other information

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 2022.

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 2,476 (2,253) employees at 30 September 2023, compared with 2,446 employees at 30 June 2023. The increase from the same quarter of the prior year is a result of selected headcount growth, as explained in the administrative expenses section on page 12. The number of consultants amounted to 216 (217) at 30 September 2023.

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 44 to 49 and pages 93 to 97 of the Annual and Sustainability Report and Accounts for the year ended 31 December 2022 available from www.kindredgroup.com.

Tax environment

The Group operates in multiple jurisdictions and complies with both national and international tax rules. The digitalisation of the economy has recently brought new tax challenges to companies operating in this sector whose established business models - in line with industry practice - are under greater scrutiny from tax authorities.

In very recent years, enquiries and contact with tax authorities have become more frequent and an integral part of our compliance management. The Group is committed to working constructively with tax authorities to aid their understanding of our tax affairs in their respective jurisdictions and aiming to reach a conclusion to the assessments as swiftly as possible.

Next AGM and Nomination Committee

The 2024 Annual General Meeting of Kindred Group plc will be held on 26 April 2024 in Stockholm. The Nomination Committee for the 2024 AGM consists of:

- Keith Meister, Corvex Management LP (chairman)
- Michael Fitzsimmons, Eminence Capital LP
- Cédric Boireau, Premier Investissement SAS
- Mattias Lindahl, Veralda Investment Ltd

Kindred's Chairman of the Board, Evert Carlsson, is co-opted to the Nomination Committee.

The Nomination Committee must, ahead of the 2024 AGM, prepare recommendations for the Chairperson of the AGM, Chairperson of the Board of Directors and members of the Board, as well as remuneration of the Board of Directors and auditors. Shareholders wishing to provide proposals to the Nomination Committee can do this via email to nomination@kindredgroup.com or by post to Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta.

Malta, 29 November 2023

Nils Andén
Interim CEO

Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta.

Registered in Malta. Company number C 39017. 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 2023 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 this condensed consolidated interim financial information 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 this condensed consolidated interim financial information 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'.

Ian Curmi
Principal

PricewaterhouseCoopers
78 Mill Street
Zone 5, Central Business District
Qormi
Malta

29 November 2023

Condensed consolidated income statement

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Revenue	283.9	277.8	897.6	763.2	1,068.7
Betting duties	-73.7	-70.3	-235.3	-189.5	-272.8
Marketing revenue share	-9.2	-9.7	-27.9	-31.9	-41.8
Other cost of sales	-42.2	-43.8	-130.8	-122.5	-170.3
Cost of sales	-125.1	-123.8	-394.0	-343.9	-484.9
Gross profit	158.8	154.0	503.6	419.3	583.8
Marketing costs	-53.4	-53.0	-160.8	-160.1	-227.2
Salaries	-40.5	-37.7	-126.9	-105.2	-140.8
Other operating expenses	-22.3	-23.0	-68.2	-63.9	-86.6
Depreciation of property, plant and equipment	-2.6	-3.6	-8.5	-10.8	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-10.3	-8.9	-12.1
Amortisation of intangible assets	-10.3	-7.8	-28.4	-22.0	-30.1
Total administrative expenses	-79.1	-75.1	-242.3	-210.8	-283.6
Underlying profit before items affecting comparability	26.3	25.9	100.5	48.4	73.0
Personnel restructuring costs	-1.8	-0.1	-5.7	-0.3	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-5.0	-	-7.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-0.8	-	-0.8	-0.8
Strategic review costs	-0.6	-	-2.5	-	-
Other (losses)/gains	-1.3	36.9	0.7	31.5	69.9
Profit from operations	17.6	61.9	85.4	78.2	131.3
Finance costs	-3.0	-1.7	-8.3	-3.9	-5.9
Finance income	0.5	0.1	1.5	0.6	1.4
Profit before tax	15.1	60.3	78.6	74.9	126.8
Income tax expense	-2.5	-2.4	-12.7	-4.8	-6.7
Profit after tax	12.6	57.9	65.9	70.1	120.1
Profit is attributable to:					
Owners of Kindred Group plc	12.4	57.9	65.6	70.0	119.9
Non-controlling interests	0.2	-	0.3	0.1	0.2
Total profit	12.6	57.9	65.9	70.1	120.1
Earnings per share (GBP)	0.06	0.26	0.30	0.32	0.54
Diluted earnings per share (GBP)	0.06	0.26	0.30	0.32	0.54

Condensed consolidated statement of comprehensive income

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Profit after tax	12.6	57.9	65.9	70.1	120.1
Other comprehensive income					
Currency translation adjustments taken to equity	6.5	16.2	-19.4	25.7	21.8
(Losses)/gains on net investment hedge	-1.6	-1.9	5.7	-2.2	-1.6
Total comprehensive income for the period	17.5	72.2	52.2	93.6	140.3
Total comprehensive income for the period is attributable to:					
Owners of Kindred Group plc	17.3	71.9	51.9	93.2	139.8
Non-controlling interests	0.2	0.3	0.3	0.4	0.5
Total comprehensive income for the period	17.5	72.2	52.2	93.6	140.3

Condensed consolidated balance sheet

GBP m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets			
Non-current assets			
Property, plant and equipment	16.7	19.9	19.1
Right-of-use assets	42.7	46.4	49.7
Goodwill	430.6	438.1	438.4
Other intangible assets	269.7	269.8	270.4
Deferred tax assets	38.5	28.4	40.0
Convertible bond	-	6.7	6.8
Other non-current assets	3.8	3.5	3.5
	802.0	812.8	827.9
Current assets			
Taxation recoverable	51.4	72.5	70.8
Trade and other receivables	79.4	72.8	66.5
Financial assets at fair value through profit and loss	-	1.2	1.1
Cash and cash equivalents	248.8	264.9	254.9
	379.6	411.4	393.3
Total assets	1,181.6	1,224.2	1,221.2
Equity and liabilities			
Capital and reserves			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	11.9	28.9	25.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	525.8	519.9	524.9
Total equity attributable to the owners	576.4	587.5	589.2
Non-controlling interest	6.1	6.3	5.8
Total equity	582.5	593.8	595.0
Non-current liabilities			
Borrowings	153.1	136.2	135.5
Lease liabilities	30.0	35.2	37.8
Deferred tax liabilities	22.5	21.4	22.5
Provisions	1.9	2.4	1.9
	207.5	195.2	197.7
Current liabilities			
Trade and other payables	209.1	195.5	199.6
Customer balances	75.5	73.4	80.2
Deferred income	6.5	6.9	5.9
Tax liabilities	72.4	91.2	107.1
Lease liabilities	14.0	12.5	13.6
Other financial liabilities at fair value through profit and loss	0.3	42.1	2.2
Provisions	13.8	13.6	19.9
	391.6	435.2	428.5
Total liabilities	599.1	630.4	626.2
Total equity and liabilities	1,181.6	1,224.2	1,221.2

Condensed consolidated statement of changes in equity

GBP m	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Opening balance of total equity at beginning of period	562.3	529.4	595.0	565.2	565.2
Comprehensive income					
Profit for the period	12.6	57.9	65.9	70.1	120.1
Other comprehensive income:					
Currency translation adjustments taken to equity	6.5	16.2	-19.4	25.7	21.8
(Losses)/gains on net investment hedge	-1.6	-1.9	5.7	-2.2	-1.6
Total comprehensive income	17.5	72.2	52.2	93.6	140.3
Transactions with owners					
Employee share schemes - value of employee services	2.7	1.8	-5.9	0.2	2.1
Sale of warrants, incentive program	-	0.4	-	0.4	0.4
Treasury share purchases	-	-10.0	-34.2	-33.9	-43.9
Disposal / utilisation of treasury shares	-	-	12.7	5.3	5.3
Dividend paid to shareholders	-	-	-37.3	-37.0	-73.8
Dividend paid to non-controlling interests	-	-	-	-	-0.6
Total transactions with owners	2.7	-7.8	-64.7	-65.0	-110.5
Closing balance of total equity at end of period	582.5	593.8	582.5	593.8	595.0
Equity is attributable to:					
Owners of Kindred Group plc	576.3	587.5	576.3	587.5	589.2
Non-controlling interests	6.2	6.3	6.2	6.3	5.8
Total equity	582.5	593.8	582.5	593.8	595.0

Condensed consolidated cash flow statement

GBP m	Q3		Jan-Sep		Full year 2022
	2023	2022	2023	2022	
Operating activities					
Profit from operations	17.6	61.9	85.4	78.2	131.3
Adjustments for:					
Depreciation of property, plant and equipment	2.6	3.6	8.5	10.8	14.0
Depreciation of right-of-use assets	3.4	3.0	10.3	8.9	12.1
Amortisation of intangible assets	10.3	7.8	28.4	22.0	30.1
Loss on disposal of intangible assets	0.2	0.1	0.2	0.6	0.9
(Gain)/loss on disposal of property, plant & equipment	-0.1	-	-	-	0.1
Other (gains)/losses	-2.7	-40.2	1.1	-37.8	-78.0
Share-based payments	2.6	1.8	6.8	5.5	7.4
Operating cash flows before movements in working capital	33.9	38.0	140.7	88.2	117.9
Increase in trade and other receivables	-5.3	-3.8	-13.2	-20.7	-14.5
Increase in trade and other payables, including customer balances and provisions	19.2	38.8	2.4	40.1	54.5
Cash flows from operating activities	47.8	73.0	129.9	107.6	157.9
Net income taxes paid	-3.2	-3.5	-27.9	-22.8	-19.2
Net cash generated from operating activities	44.6	69.5	102.0	84.8	138.7
Investing activities					
Acquisition of subsidiaries, net of cash acquired	-	-	-0.4	-	-
Settlement of contingent consideration	-	-	-1.9	-4.4	-4.4
Interest received	0.6	0.1	1.7	0.4	0.7
Settlement of convertible bond	-	-	6.5	-	-
Purchases of property, plant and equipment	-1.3	-2.2	-7.0	-6.6	-9.5
Development and acquisition costs of intangible assets	-9.5	-9.6	-31.7	-28.0	-38.3
Net cash used in investing activities	-10.2	-11.7	-32.8	-38.6	-51.5
Financing activities					
Interest paid	-1.9	-1.2	-6.4	-3.4	-5.6
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-0.9	-1.2
Repayment of lease liabilities	-3.4	-3.0	-10.7	-9.2	-11.9
Dividend paid to shareholders	-	-	-37.2	-36.8	-73.2
Dividend paid to non-controlling interests	-	-	-	-	-0.6
Treasury share purchases	-	-10.0	-34.2	-33.9	-43.9
Sale of warrants, incentive program	-	0.4	-	0.4	0.4
Proceeds from borrowings	-	-	89.6	60.5	76.7
Repayment of borrowings	-5.1	-	-66.6	-38.4	-54.2
Net cash used in financing activities	-10.7	-14.1	-66.4	-61.7	-113.5
Net increase/(decrease) in cash and cash equivalents	23.7	43.7	2.8	-15.5	-26.3
Cash and cash equivalents at beginning of period	223.4	216.4	254.9	270.6	270.6
Effect of foreign exchange rate changes	1.7	4.8	-8.9	9.8	10.6
Cash and cash equivalents at end of period	248.8	264.9	248.8	264.9	254.9

Notes to the condensed consolidated interim financial statements

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 29 November 2023.

2: Basis of preparation

This condensed consolidated interim financial information for the nine-month period ended 30 September 2023 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 2022.

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 2023.

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 15. The Group has complied with all 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 2022, except for:

- Certain amendments or interpretations to standards effective from 1 January 2023 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 pages 13 and 14 for more information.

5: Operating segments

The operating segments during the nine-month period ended 30 September 2023 and 30 September 2022 are as follows:

Nine months ended 30 Sep 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	867.6	-	2.7	870.3
Other revenue (B2B)	-	36.7	-9.4	27.3
Revenue	867.6	36.7	-6.7	897.6
Betting duties	-235.3	-	-	-235.3
Marketing revenue share	-27.9	-	-	-27.9
Other cost of sales	-131.4	-5.7	6.3	-130.8
Gross profit	473.0	31.0	-0.4	503.6
Marketing costs	-159.8	-1.0	-	-160.8
Total administrative expenses	-225.6	-16.7	-	-242.3
Items affecting comparability	-15.1	-	-	-15.1
Profit from operations	72.5	13.3	-0.4	85.4

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	747.8
Other revenue (B2B)	-	22.4	-7.0	15.4
Revenue	746.5	22.4	-5.7	763.2
Betting duties	-189.5	0.0	-	-189.5
Marketing revenue share	-31.9	0.0	-	-31.9
Other cost of sales	-126.1	-1.6	5.2	-122.5
Gross profit	399.0	20.8	-0.5	419.3
Marketing costs	-159.5	-0.6	-	-160.1
Total administrative expenses	-199.9	-10.9	-	-210.8
Items affecting comparability	29.8	-	-	29.8
Profit from operations	69.4	9.3	-0.5	78.2

Further analysis of the B2C business by region during the nine-month period ended 30 September 2023 and September 2022 can be seen below:

Nine months ended 30 Sep 2023

GBP m	Western Europe	Nordic Region	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue (B2C)	522.7	212.5	92.7	39.7	867.6
Betting duties	-179.9	-24.9	-15.0	-15.5	-235.3
Marketing revenue share	-17.3	-4.6	-3.3	-2.7	-27.9
Other cost of sales	-60.6	-41.7	-17.2	-11.9	-131.4
Gross profit	264.9	141.3	57.2	9.6	473.0

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	746.5
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
Gross profit	194.7	145.7	48.8	9.8	399.0

Further analysis of the B2C business by product during the nine-month periods ended 30 September 2023 and 30 September 2022 can be seen below:

GBP m	Nine months ended 30 Sep 2023	Nine months ended 30 Sep 2022
Sports betting	331.2	318.0
Casino & games	494.9	391.4
Poker	25.5	21.1
Other	16.0	16.0
Total Gross winnings revenue	867.6	746.5

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

Nine months ended 30 Sep 2023

GBP m	Goodwill	Other intangible assets	Property, plant & equipment	Right-of-use assets
Opening net book amount 1 Jan 2023	438.4	270.4	19.1	49.7
Additions	-	32.1	7.0	5.4
Disposals	-	-0.3	-	-0.2
Currency translation adjustment	-7.8	-4.1	-0.9	-1.9
Amortisation / depreciation	-	-28.4	-8.5	-10.3
Closing net book amount at 30 Sep 2023	430.6	269.7	16.7	42.7

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
Closing net book amount at 30 Sep 2022	438.1	269.8	19.9	46.4

At 30 September 2023, the total value of intangible assets attributable to the Relax Gaming CGU amounted to GBP 225.7 (EUR 265.1) million, of which GBP 187.3 (EUR 218.5) 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 2022.

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 2022. 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 connection with the disposal of Kambi in May 2014, the Group subscribed to a GBP 6.0 (EUR 7.5) million convertible bond issued by Kambi. Following an amendment and restatement to the bond in February 2022, the bond was due to mature in January 2027. However, in May 2023, the convertible bond was repaid in full by Kambi.

8: Share capital and share premium

GBP m	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 Jan 2023	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
At 30 Sep 2023	230.1	0.1	81.5	81.6

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	-	-	-	-
At 30 Sep 2022	230.1	0.1	81.5	81.6

9: Borrowings

GBP m	30 Sep 2023	30 Sep 2022
Non-current	153.1	136.2
Current	-	-
Total	153.1	136.2

Movements in borrowings are analysed as follows:

GBP m	Borrowings
Opening balance 1 Jan 2023	135.5
Transaction fees	0.2
Drawdown of borrowings	89.6
Repayment of borrowings	-66.6
Translation gain on borrowings	-5.6
At 30 Sep 2023	153.1
Opening balance 1 Jan 2022	111.6
Transaction fees	0.3
Drawdown of borrowings	60.5
Repayment of borrowings	-38.4
Translation loss on borrowings	2.2
At 30 Sep 2022	136.2

For more information on the Group's borrowings and associated facilities agreement, please see page 15.

10: Dividend

In respect of the financial year 2022, a dividend of GBP 0.345 per ordinary share/SDR was approved at the AGM on 20 April 2023. It was approved that the dividend would be paid out in two equal instalments, in the second and fourth quarters of 2023. The first instalment of GBP 37.2 million was paid on 27 April 2023, and the second instalment of GBP 36.8 million was paid on 27 October 2023.

11: Related party transactions

Related party transactions for the nine-month period January to September 2023 relate solely to Directors' and Executive Committee remuneration. As at the period end, GBP nil (nil) was owed in respect of these services.

Transactions and outstanding balances between the parent and its subsidiaries (direct and indirect), and between those subsidiaries, have been eliminated on consolidation and are not disclosed in this report.

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 2023			As at December 2022		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets (GBP m)						
Derivatives	-	-	-	1.1	0.2	1.3
Financial liabilities (GBP m)						
Contingent consideration	-	-	-	-	2.2	2.2
Deferred income	-	6.5	6.5	-	5.9	5.9
Derivatives	0.3	-	0.3	-	-	-

Level 2 derivatives consist of foreign currency forward contracts classified as financial assets or financial liabilities at fair value through profit and loss on the balance sheet. Movements on these assets relate to gains and losses recognised in other (losses)/gains in the income statement. Level 3 derivatives consist solely of deferred income, with movements relating only to minimal fair value changes.

There were no transfers between the levels of the fair value hierarchy in the nine months to 30 September 2023. There were also no changes made to any of the valuation techniques applied as of 31 December 2022.

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 2022 Annual and Sustainability Report and Accounts, on pages 93 to 97.

14: Business combinations

Contingent consideration on the Relax Gaming acquisition

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 would become payable, subject to Relax Gaming achieving certain earnings thresholds.

Following confirmation of the final audited performance of Relax Gaming for the 2022 financial year, the final earn-out payment was made during the second quarter of 2023. The final payment totalled GBP 1.9 (EUR 2.2) million and, as a result, GBP 0.2 million of the unused balance previously provided was released as a credit in the condensed consolidated income statement, presented within other (losses)/gains within items affecting comparability.

15: Events after the reporting period

On 27 October 2023, the second instalment of the 2022 dividend was paid, amounting to GBP 36.8 million.

As part of the Relax Gaming acquisition in October 2021, a put/call option structure was put in place. This structure allows the minority shareholders to sell their shares to Kindred, and Kindred to buy their shares, at a pre-agreed time period in the future and with a pre-defined valuation methodology. As a result of the exercise of put/call options in October 2023, Kindred's ownership of Relax Gaming will rise to over 99 per cent once the transactions are finalised in 2024. This is expected to result in a cash outflow of approximately GBP 23 million (on a cash and debt free basis). This amount is subject to the audited performance of Relax Gaming for the 2023 financial year and is therefore subject to change.

On 29 November, Kindred announced that its management team, with support from the Board, had identified actions to accelerate profitable growth. These include the controlled cessation of North American operations, a reduction in headcount and operational costs, and increased focus on profitable growth in core markets. More information can be found on pages 2 and 4. At the current time management has not been able to come up with a reasonable estimate of the full financial effect of these actions (encompassing the impact on costs, cash outflows and the impairment of assets) and will disclose this in due course.

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 14 for corresponding reconciliations of underlying EBITDA and EBITDA respectively, and page 16 for a corresponding reconciliation of free cash flow.

Condensed consolidated balance sheet measures

GBP m	30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash and cash equivalents	248.8	264.9	254.9
Customer balances	-75.5	-73.4	-80.2
Unrestricted cash	173.3	191.5	174.7
Less: Borrowings	-153.1	-136.2	-135.5
Net cash	20.2	55.3	39.2

Key ratios

	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Gross winnings revenue from locally regulated markets (%)	83%	79%	82%	78%	79%
B2C marketing as a % of Gross winnings revenue (%)	23%	23%	22%	26%	26%
Return on average equity, annualised (%)	12%	45%	20%	18%	23%
Underlying EBITDA margin (%)	15%	15%	16%	12%	12%
Net cash / EBITDA, rolling 12-month basis	0.10	0.26	0.10	0.26	0.21
Cash conversion (%)	58%	122%	38%	43%	54%
Free cash flow per share (GBP)	0.11	0.22	0.26	0.18	0.32
Earnings per share (GBP)	0.06	0.26	0.30	0.32	0.54
Diluted earnings per share (GBP)	0.06	0.26	0.30	0.32	0.54
Employees at period end	2,476	2,253	2,476	2,253	2,332
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,677,711	231,707,517	231,677,711	231,707,517	232,074,281
Weighted average number of outstanding	215,008,254	219,688,003	215,787,233	220,653,058	220,068,616
Weighted average number of diluted	216,660,720	221,285,180	218,078,366	222,407,790	222,094,481

¹ At 30 September 2023 the total issued shares were 230,126,200. Of these, 15,117,946 shares are held by the Group as a result of previous repurchase programmes.

FX rates and constant currency impact

Balance sheet rates:	30 Sep 2023	30 Sep 2022	YoY Delta
Rate to GBP			
AUD	1.890	1.707	-10.7%
DKK	8.625	8.422	-2.4%
EUR	1.157	1.133	-2.1%
NOK	13.016	11.986	-8.6%
SEK	13.339	12.343	-8.1%
USD	1.225	1.104	-11.0%

Income statement averages for the quarter:

Rate to GBP	Avg Q3 2023	Avg Q3 2022	YoY Delta
AUD	1.934	1.721	-12.4%
DKK	8.670	8.691	0.2%
EUR	1.163	1.168	0.4%
NOK	13.267	11.744	-13.0%
SEK	13.685	12.402	-10.3%
USD	1.266	1.177	-7.6%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the third quarter of 2023 is as follows:

GBP m	Q3 2023
Revenue	-4.0
Cost of sales / operating expenses	5.7
Underlying EBITDA	1.7
Foreign currency loss on operating items	-1.1
Other items below EBITDA	0.3
Profit after tax	0.9

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 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 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	273.8	-	0.9	274.7
Other revenue (B2B)	-	12.2	-3.0	9.2
Total revenue	273.8	12.2	-2.1	283.9
Cost of sales	-125.3	-1.9	2.1	-125.1
Gross profit	148.5	10.3	-	158.8

Period ended 30 Sep 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	867.6	-	2.7	870.3
Other revenue (B2B)	-	36.7	-9.4	27.3
Total revenue	867.6	36.7	-6.7	897.6
Cost of sales	-394.6	-5.7	6.3	-394.0
Gross profit	473.0	31.0	-0.4	503.6

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	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	61.7	74.9	74.3	81.4	66.1	57.7	67.9	210.9	191.7	273.1
Nordics	19.3	24.8	26.4	26.8	25.6	23.4	24.9	70.5	73.9	100.7
Central, Eastern and Southern Europe	7.4	10.7	12.1	9.4	9.3	9.1	11.1	30.2	29.5	38.9
Other	6.1	6.1	7.4	4.2	7.9	7.6	7.4	19.6	22.9	27.1
Total	94.5	116.5	120.2	121.8	108.9	97.8	111.3	331.2	318.0	439.8

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	-7%	30%	9%	35%	-15%	-52%	-41%	10%	-38%	-26%
Nordics	-25%	6%	6%	13%	8%	-27%	-11%	-5%	-12%	-6%
Central, Eastern and Southern Europe	-20%	18%	9%	13%	9%	-18%	1%	2%	-4%	0%
Other	-23%	-20%	0%	-53%	30%	-6%	16%	-14%	11%	-8%
Total	-13%	19%	8%	20%	-6%	-43%	-30%	4%	-29%	-20%

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	108.0	105.2	99.9	94.2	85.7	61.8	59.2	313.1	206.7	300.9
Nordics	46.0	46.7	50.2	50.9	52.7	50.8	48.9	142.9	152.4	203.3
Central, Eastern and Southern Europe	20.2	22.4	20.2	20.2	18.2	17.1	16.7	62.8	52.0	72.2
Other	6.0	7.5	6.8	8.0	6.4	6.0	6.3	20.3	18.7	26.7
Total	180.2	181.8	177.1	173.3	163.0	135.7	131.1	539.1	429.8	603.1

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	26%	70%	69%	50%	-23%	-51%	-53%	51%	-43%	-30%
Nordics	-13%	-8%	3%	0%	14%	17%	23%	-6%	18%	13%
Central, Eastern and Southern Europe	11%	31%	21%	5%	6%	-1%	-7%	21%	-1%	1%
Other	-6%	25%	8%	27%	-12%	-13%	-26%	9%	-18%	-8%
Total	11%	34%	35%	24%	-11%	-30%	-32%	25%	-24%	-15%

TOTAL BY REGION

TOTAL BY REGION	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	169.7	180.1	174.2	175.6	151.8	119.5	127.1	524.0	398.4	574.0
Nordics	65.3	71.5	76.6	77.7	78.3	74.2	73.8	213.4	226.3	304.0
Central, Eastern and Southern Europe	27.6	33.1	32.3	29.6	27.5	26.2	27.8	93.0	81.5	111.1
Other	12.1	13.6	14.2	12.2	14.3	13.6	13.7	39.9	41.6	53.8
Total	274.7	298.3	297.3	295.1	271.9	233.5	242.4	870.3	747.8	1,042.9

Share of total (%)

Western Europe	62%	60%	58%	60%	56%	51%	52%	59%	53%	55%
Nordics	24%	24%	26%	26%	29%	32%	31%	25%	30%	29%
Central, Eastern and Southern Europe	10%	11%	11%	10%	10%	11%	11%	11%	11%	11%
Other	4%	5%	5%	4%	5%	6%	6%	5%	6%	5%

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	12%	51%	37%	43%	-20%	-51%	-47%	32%	-41%	-28%
Nordics	-17%	-4%	4%	4%	12%	-2%	9%	-6%	6%	6%
Central, Eastern and Southern Europe	0%	26%	16%	7%	7%	-7%	-4%	14%	-2%	1%
Other	-15%	0%	4%	-20%	7%	-9%	-8%	-4%	-4%	-8%
Total	1%	28%	23%	23%	-9%	-36%	-31%	16%	-26%	-17%

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	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Sports betting	94.5	116.5	120.2	121.8	108.9	97.8	111.3	331.2	318.0	439.8
Casino & games	166.0	169.5	162.1	159.3	149.5	123.4	119.8	497.6	392.7	552.0
Poker	8.1	8.0	9.4	8.6	7.4	6.6	7.1	25.5	21.1	29.7
Other products	6.1	4.3	5.6	5.4	6.1	5.7	4.2	16.0	16.0	21.4
Total	274.7	298.3	297.3	295.1	271.9	233.5	242.4	870.3	747.8	1,042.9
Share of total (%)										
Sports betting	34%	39%	40%	41%	40%	42%	46%	38%	42%	42%
Casino & games	61%	57%	55%	54%	55%	53%	49%	57%	53%	53%
Poker	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other products	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Sports betting	-13%	19%	8%	20%	-6%	-43%	-30%	4%	-29%	-20%
Casino & games	11%	37%	35%	25%	-11%	-30%	-32%	27%	-25%	-15%
Poker	9%	21%	32%	19%	7%	-12%	-23%	21%	-11%	-4%
Other products	0%	-25%	33%	10%	-16%	-33%	-46%	0%	-32%	-25%
Total	1%	28%	23%	23%	-9%	-36%	-31%	16%	-26%	-17%

Sports betting margins

	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Sports betting stakes (GBP m)	1,003.8	1,029.6	1,211.6	1,364.9	1,105.5	1,051.7	1,096.2	3,245.0	3,253.4	4,618.3
Sports betting Gross winnings revenue:										
Live betting (GBP m)	53.0	58.1	64.0	63.1	61.3	54.6	55.3	175.1	171.2	234.3
Live betting margin (%)	10.0%	10.6%	10.2%	9.2%	10.0%	9.5%	9.7%	10.6%	9.6%	9.6%
Live betting share (%)	50.6%	45.9%	47.6%	45.3%	49.7%	48.7%	43.9%	47.9%	47.4%	46.8%
Pre-game betting (GBP m)	51.7	68.4	70.4	76.3	62.0	57.6	70.7	190.5	190.3	266.6
Pre-game betting margin (%)	11.0%	14.1%	12.0%	11.2%	12.6%	12.1%	13.4%	14.1%	12.8%	12.3%
Pre-game betting share (%)	49.4%	54.1%	52.4%	54.7%	50.3%	51.3%	56.1%	52.1%	52.6%	53.2%
Total before free bets (GBP m)	104.7	126.5	134.4	139.4	123.3	112.2	126.0	365.6	361.5	500.9
Sports betting margin - before free bets (%)	10.4%	12.3%	11.1%	10.2%	11.2%	10.7%	11.5%	11.3%	11.1%	10.8%
Free bets (GBP m)	-10.2	-10.0	-14.2	-17.6	-14.4	-14.4	-14.7	-34.4	-43.5	-61.1
Total after free bets (GBP m)	94.5	116.5	120.2	121.8	108.9	97.8	111.3	331.2	318.0	439.8
Sports betting margin - after free bets (%)	9.4%	11.3%	9.9%	8.9%	9.9%	9.3%	10.2%	10.2%	9.8%	9.5%

Total margin across all product segments

	2023				2022			2023 YTD	2022 YTD	2022 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Total margin all product segments - before free bets (%) ¹	5.5%	5.8%	5.7%	5.5%	5.6%	5.7%	5.6%	5.8%	5.6%	5.6%

¹ Includes sports betting and casino & games but excludes poker rakes and other revenues.

Definitions

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 16) 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, regulatory sanctions, market closure and contract termination costs, subsidy for warrants – incentive programme, strategic review costs, and other (losses)/ gains.

Underlying EBITDA margin: Underlying EBITDA divided by total revenue.

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

Presentation of the interim report

Today, 29 November 2023, Kindred Group's Interim CEO Nils Andén and Interim CFO Patrick Kortman will host a web presentation in English at 10:00 (CET) which will be web casted live on <https://www.kindredgroup.com/q32023>. 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

Linda Lyth, Investor Relations Manager, +46 767 681 337
 ir@kindredgroup.com

Forthcoming financial reporting timetable

Full year report 2023	7 February 2024
Interim report January – March 2024	24 April 2024
Interim report January – June 2024	24 July 2024
Interim report January – September 2024	25 October 2024
Full year report 2024	12 February 2025