

“Strong performance across select markets enabled delivery on annual target”

Nils Andén, CEO

KINDRED GROUP PLC

YEAR END REPORT JANUARY - DECEMBER 2023 (UNAUDITED)

Financial highlights

Fourth quarter 2023

- Total revenue was GBP 312.9 (305.5) million, an increase of 2 per cent.
- Gross winnings revenue (B2C) increased by 2 per cent to GBP 301.6 (295.1) million.
- Underlying EBITDA increased by 45 per cent to GBP 56.8 (39.1) million.
- Primarily as a result of the closure of North American operations, items affecting comparability amount to a negative contribution of GBP 57.6 (positive contribution of 28.5) million. See page 13 for more information.
- Loss before tax was GBP 19.1 (profit of 51.9) million.
- Loss after tax was GBP 18.7 (profit of 50.0) million.
- Earnings per share were GBP -0.09 (0.23).
- Free cash flow amounted to GBP 46.8 (30.9) million.
- Number of active customers decreased by 8 per cent from the fourth quarter of 2022 to 1,686,662 (1,827,881) but increased by 8 per cent from the third quarter of 2023.

January - December 2023

- Total revenue was GBP 1,210.5 (1,068.7) million, an increase of 13 per cent.
- Gross winnings revenue (B2C) increased by 12 per cent to GBP 1,171.9 (1,042.9) million.
- Underlying EBITDA increased by 58 per cent to GBP 204.5 (129.2) million.
- Primarily as a result of the closure of North American operations, items affecting comparability amount to a negative contribution of GBP 72.7 (positive contribution of 58.3) million. See page 13 for more information.
- Profit before tax was GBP 59.5 (126.8) million.
- Profit after tax was GBP 47.2 (120.1) million.
- Earnings per share were GBP 0.22 (0.54).
- 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 103.3 (69.6) million.
- Following the announced public cash offer from La Française des Jeux (see page 4), and the way the offer is structured, where any dividends prior to settlement of the offer would reduce the offer price accordingly, the Board of Directors do not propose a dividend in respect of the financial year 2023.

Key highlights

- Kindred Board of Directors recommends the SEK 130/SDR public cash offer from La Française des Jeux.
- Underlying EBITDA for the full year was GBP 204.5 million, in line with 2023 financial guidance.
- Growth driven by strong performance in the Netherlands, UK and Romania, in combination with positive momentum across the casino segment.
- Relax Gaming's business continues to show encouraging growth and proof of its scalable business model.

Key figures

GBP m	Q4		Full year	
	2023	2022	2023	2022
Revenue	312.9	305.5	1,210.5	1,068.7
EBITDA	20.0	67.6	152.6	187.5
Underlying EBITDA	56.8	39.1	204.5	129.2
(Loss)/Profit before tax	-19.1	51.9	59.5	126.8
(Loss)/Profit after tax	-18.7	50.0	47.2	120.1
Earnings per share (GBP)	-0.09	0.23	0.22	0.54
Net cash / EBITDA, rolling 12-month basis	0.18	0.21	0.18	0.21
Free cash flow	46.8	30.9	103.3	69.6
Active customers (No.)	1,686,662	1,827,881		

CEO comment

Strong performance across select markets enabled delivery on annual target

Looking back at an eventful and busy year, I can conclude that Kindred is establishing a stronger and more robust foothold in core markets across Europe. Operational initiatives announced in November 2023 continue at pace, with a controlled exit from North America and reduction in headcount being actions taken to improve profitability. A comprehensive and dedicated growth plan for our core markets in Europe and Australia was also launched at the end of last year. During 2023, we provided guidance of GBP 200 million in underlying EBITDA, and I am very pleased that we have delivered on that target. Our performance demonstrates that Kindred is able to grow profitably within highly regulated markets. During 2023, 82 per cent of Gross winnings revenue was generated from locally regulated markets. Kindred remains committed to its Journey towards Zero target, with 3.1 per cent of revenue generated from high-risk customers during the quarter.

Profitable growth in core markets

The final quarter of 2023 saw sustained above-market performance in the Netherlands, UK, and Romania, which combined with continued growth in our B2B segment (Relax Gaming) generated total revenue of GBP 312.9 million and underlying EBITDA of GBP 56.8 million for the period, an increase of 45 per cent compared to the same period last year. This stands as Kindred's best performing quarter in both total revenue and underlying EBITDA since Q3 2021. Total revenue for the full year 2023 was GBP 1.2 billion, growing 13 per cent versus the full year 2022, and underlying EBITDA was GBP 204.5 million. As communicated in our Q3 report in November last year, we anticipate the full year 2024 underlying EBITDA to reach GBP 250 million.

Strong activity in the second half of the quarter

With a soft start to the quarter, as communicated in the trading update on 29 November, we saw revenues improve towards the end of the quarter as anticipated. The period saw robust customer activity driven by a return to a normalised sporting schedule and growth in the casino & games segment. Total active customers across all markets decreased slightly to 1.7 million compared to the same period last year which included the Winter World Cup.

Continued headwinds in Norway and Belgium meant that performance in these markets fell below expectations. We look forward to continuing our dialogue with regulators in pursuit of a sustainable regulatory framework that enables licensed operators to provide a compelling customer offering within the local licensed regime.

Overall performance in Sweden also came in below expectations. We have implemented growth plans and I am confident that we can rebuild positive momentum at pace in Sweden over the coming quarters.

North American market exit going according to plan

Excluding North America, total revenue across the portfolio grew 1 per cent versus the same period last year. The closure of our North American business is on schedule, with a total negative cash flow impact anticipated to be GBP 15 million once all markets are closed.

Casino & games continue to show encouraging growth

The casino & games segment continues to grow well, contributing 57 per cent of Gross winnings revenue during the quarter – up 7 per cent versus the same period last year. Strong performance is testament to our strategic focus on enhancing the customer offering through exclusive games, improved supplier partnerships, and personalising the casino & games experience. As previously mentioned, accelerating growth across the segment within multi-product markets will continue to be a major delivery area during 2024.

Despite a challenging start to the period across sportsbook, where the sports betting margin was at a historic low, the final sports betting margin for the full quarter was in line with the long-term average margin of 9.7 per cent.

B2B business proves impressive ability to scale

Relax Gaming continue to perform well with total revenue for the quarter increasing 33 per cent versus the same period last year. The underlying EBITDA contribution was also up 72 per cent, demonstrating the scalability of the Relax business. During the quarter, Relax signed a partnership in North America to offer its portfolio to the New Jersey market. B2B growth in North America will continue to be a major focus for the Relax team, having already gained strong momentum in Ontario.

Continued focus on efficiency and cost control

Following the cost optimisation initiatives announced at the end of 2023, we continue to reallocate resources and marketing investments into areas that will deliver improved growth. Specifically, this includes increasing focus on the profitable casino segment and concentrating our marketing efforts within markets where we see significant opportunity to outgrow the market.

Following action taken during the quarter to deliver a gross reduction of overall headcount by 300 roles across 2024, we expect operating expenses (including salaries) for the full year 2024 to be approximately GBP 245 million.

Kindred's Board recommends public cash offer from La Française des Jeux

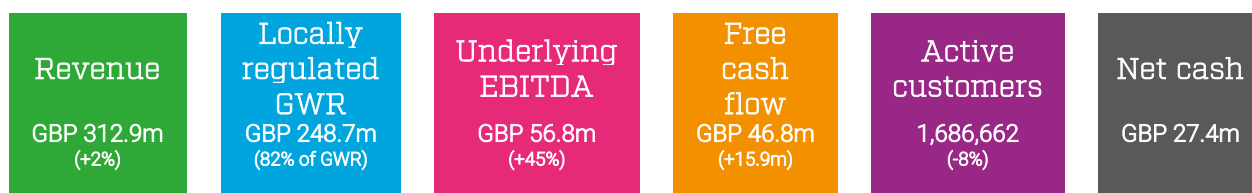
On 22 January, Kindred received a public cash offer of SEK 130 per SDR, which the Board has unanimously

recommended shareholders to accept. I believe this is good news for Kindred as it will further enable us to secure long-term growth in locally regulated markets and accelerate investments into strategic projects, such as KSP.

I remain confident that Kindred can deliver above-market growth across our portfolio during 2024. We see robust performance in select core markets, and I expect this momentum to continue going forward.

Finally, I would like to thank the entire Kindred team for their hard work and relentless focus throughout the year and look forward to building on the positive momentum we see going into 2024.

Nils Andén, CEO



Significant events

During the quarter

- 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. During the quarter, the exercise of the put/call options has been recognised in the condensed consolidated balance sheet (within other current financial liabilities through profit and loss), with a current estimated liability to be paid in 2024 of GBP 25 million. This amount is subject to change as certain elements of the calculation will not be known until the closing date of the transaction, and it is subject to the audited performance of Relax Gaming for the 2023 financial year. The Group continues to recognise the non-controlling interest on the condensed consolidated balance sheet as the risk and rewards of ownership of the remaining shares are not transferred to the Group until completion of the transaction.
- On 29 November, Kindred announced that its management team, with support from the Board, had identified actions to accelerate profitable growth. These included the controlled cessation of North American operations, a reduction in headcount and operational costs, and increased focus on profitable growth in core markets. The total cost impact in the 2023 condensed consolidated income statement (within items affecting comparability) associated with the market closure is GBP 43.2 million, which includes contract termination costs, personnel restructuring costs and impairment losses on assets. The current expected total cash outflow from the closure is GBP 15 million.
- On 29 November, the Group communicated non-recurring indicative guidance for underlying EBITDA for the full year 2024, estimating that it would reach at least GBP 250 million (based on market growth expectations, and the announced interim strategic review update).

After the end of the quarter

- On 22 January, La Française des Jeux SA (FDJ) announced a public cash offer to the holders of Swedish Depository Receipts (SDRs) in Kindred Group plc to tender all their SDRs in the Company at a price of SEK 130 in cash per SDR. The Board of Directors of Kindred unanimously recommended that the shareholders of Kindred accept this offer.

The acceptance period for the offer is expected to commence on or around 20 February 2024 and expire on or around 19 November 2024. The completion of the offer is also conditional upon several criteria, which include receiving all required regulatory approvals and the amendment of Kindred's articles of association (as detailed below).

FDJ does not intend to materially alter the operations of Kindred following the implementation of the offer, other than the exit from the Norwegian market and those other non-regulated markets with no ongoing path to regulation. This is in line with Kindred's ambition to be a locally regulated operator.

Following the announced offer, Kindred communicated that it is still committed to its underlying EBITDA target of GBP 250 million for the full year 2024. Further costs associated with the strategic review, and specifically this transaction, are expected in 2024 as a result but they cannot be reliably estimated at this stage. The offer is not expected to have any impact on Kindred's financing or its financial covenants. For further details, please see the relevant [press release](#), dated 22 January 2024.

- On 22 January, it was announced that an Extraordinary General Meeting (EGM) of Kindred Group plc would be held on Friday 16 February 2024 at 10:00 am CET at Kindred’s offices in Stockholm. The meeting seeks approval that the current memorandum and articles of association of Kindred Group plc be replaced in their entirety by new memorandum and articles of association. The main proposed change to the Articles of Association relates to the inclusion of a new Article providing squeeze-out rights of an offeror, in line with the conditions of the above offer from FDJ.
- On 5 February, Kindred published its latest report on its share of revenue from high-risk customers, as part of its “Journey towards Zero”. For the fourth quarter of 2023, this was 3.1 per cent.
- On 7 February, Kindred’s Board of Directors announced that Nils Andén had been appointed as permanent CEO of Kindred Group, effective immediately.

Trading update

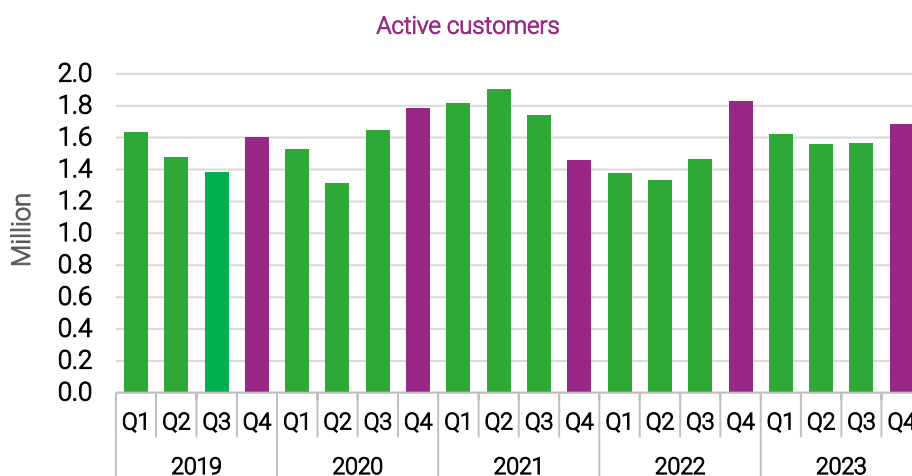
The average daily Gross winnings revenue for the Group, up to and including 4 February 2024, was GBP 3.21 million, which is 3 per cent lower (in line in constant currency) than the daily average for the full first quarter of 2023.

The sports betting margin after free bets for the above period was 9.5 per cent, which is lower than both the Group’s long-term average margin of 9.7 per cent and the 9.9 per cent margin for the full first quarter of 2023.

Customer activity (B2C)

For the fourth quarter of 2023, the number of B2C active customers amounted to 1,686,662 (1,827,881), an 8 per cent decrease compared to the fourth quarter of 2022. Sports betting active customers are declining 18 per cent on the same period in 2022, linked to upside from the Football World Cup in the prior year. Casino active customers are increasing by 7 per cent in the fourth quarter of 2023 compared to that of 2022.

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.



1,686,662

Active customers for Q4 2023

-8%

Active customer decrease from Q4 2022

+8%

Active customer increase from Q3 2023

Financial review

Revenue

GBP m	Q4		Full year	
	2023	2022	2023	2022
Gross winnings revenue (B2C)	301.6	295.1	1,171.9	1,042.9
Other revenue (B2B)	11.3	10.4	38.6	25.8
Revenue	312.9	305.5	1,210.5	1,068.7

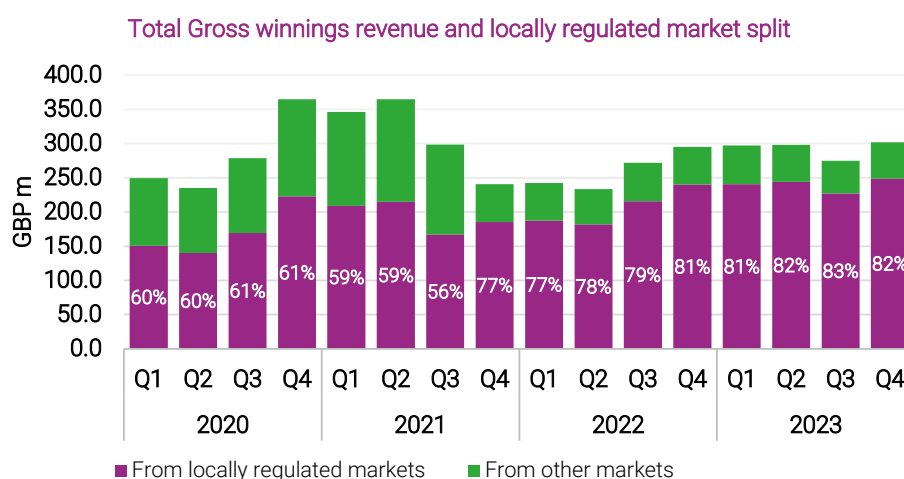
Total revenue for the fourth quarter of 2023 amounted to GBP 312.9 (305.5) million and for the full year 2023 was GBP 1,210.5 (1,068.7) million. This includes Gross winnings revenue from the B2C business, and other revenue from the B2B business, Relax Gaming. For explanation of variances to comparative periods in the prior year refer to the relevant sections on the following pages, and for further analysis of these numbers refer to page 29.

Gross winnings revenue (B2C)

Gross winnings revenue for the fourth quarter of 2023 amounted to GBP 301.6 (295.1) million, an increase of 2 per cent (3 per cent in constant currency) from the same period in the prior year. Gross winnings revenue for the full year 2023 amounted to GBP 1,171.9 (1,042.9) million, an increase of 12 per cent (12 per cent in constant currency) from the same period in the prior year.

The increases from the previous year are particularly supported by growth in the Dutch market (following re-entry into the market in July 2022) and in the UK, as well as strong growth in the casino segment. However, the impact of regulatory measures in Belgium and Norway continued to impact overall growth.

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. 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 30 to 31.

GBP

312.9m

Total revenue for Q4 2023

+2%

Total revenue increase from Q4 2022 (+4% in constant currency)

GBP

301.6m

Gross winnings revenue for Q4 2023

+2%

Gross winnings revenue increase from Q4 2022 (+3 in constant currency)

82%

Gross winnings revenue from locally regulated markets for Q4 2023 (81% in Q4 2022)

82%

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

Gross winnings revenue by region

Western Europe

Gross winnings revenue amounted to GBP 185.4 (175.6) million for the fourth quarter of 2023, an increase of 6 per cent from the same period in 2022. The continued growth in our Dutch market since re-entry on 4 July 2022, alongside strong performance in the UK, is driving the overall growth of the Western European region. However, the segment continues to be impacted by poor Belgian performance, linked to increasing regulatory measures in the later part of 2022, marketing restrictions in the third quarter of 2023 and sports betting margin trending well under the long-term average in the fourth quarter of 2023 linked to unfavourable results.

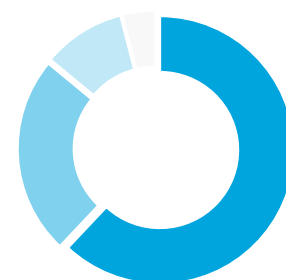
Gross winnings revenue in the Dutch market saw 19 per cent growth in local currency in the fourth quarter of 2023 compared to the fourth quarter of 2022. This growth stems from strong development in total activity, with quarterly active customers increasing 23 per cent compared to the same period in 2022, mainly fuelled by growth in casino active customers by 40 per cent. The growth in activity, in combination with improvements to the slots product offering within the market, result in casino Gross winnings revenue increasing by 31 per cent on the fourth quarter of 2022. However, this upside is offset by sports betting revenues, which declined by 4 per cent due to the weakest quarterly sports betting margin since our launch in the regulated market.

The UK continued to report strong growth in the fourth quarter of 2023, with an increase of 17 per cent compared to the fourth quarter of 2022. Margin and bonus efficiencies continue to be crucial to ensure 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 8 per cent in the fourth quarter of 2023 compared to the fourth quarter of 2022.

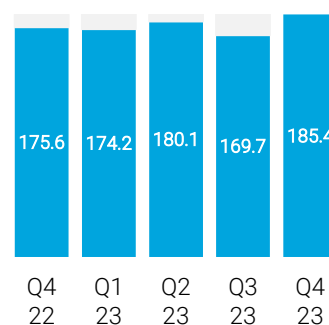
France saw Gross winnings revenue in the fourth quarter of 2023 decrease by 3 per cent compared to the fourth quarter of 2022 in local currency. The declining revenue is linked to decreasing activity compared to the prior year comparative, which is to be expected with France's progress in the Football World Cup influencing the results in the fourth quarter of 2022.

Belgium Gross winnings revenue declined by 29 per cent in local currency in the fourth quarter of 2023, compared to the equivalent period in 2022. Across 2023 we have seen continued downside in underlying metrics in the market, linked to our firm alignment with regulation. The impact of this is most evident in high value customers which are declining compared to the fourth quarter of 2022. In 2024, we look forward to continuing our dialog with the regulator in pursuit of a sustainable regulatory framework. In addition to the regulatory downside, sports betting margin is trending well below the long-term average and is influencing the quarterly results in the market.

GWR by region (Q4 2023)



Western Europe GWR (GBP m)



Nordics

Nordic Gross winnings revenue amounted to GBP 72.3 (77.7) million for the fourth quarter of 2023, a decrease of 7 per cent from the equivalent period in 2022 driven by the Swedish and Norwegian markets. Nordic sports betting Gross winnings revenue decreased by 6 per cent in the fourth quarter of 2023 compared to the same period in 2022 largely due to a decline in activity influenced by the Football World Cup in 2022. Nordic casino Gross winnings revenue decreased by 8 per cent versus the equivalent period of 2022.

In local currency, Gross winnings revenue in Sweden decreased by 10 per cent compared to the fourth quarter of 2022. 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. Sports betting active customers have declined by 11 per cent compared to the same period last year and the lower activity results in a decline in sports betting revenues by 15 per cent.

Compared to the same period in 2022, Gross winnings revenue in Denmark increased by 4 per cent in local currency in the fourth quarter of 2023. Sports betting Gross winnings revenue drove the growth, improving by 9 per cent in local currency compared to the same period in 2022, with a favourable margin aiding performance. Casino activity increased by 18 per cent compared to the fourth quarter of 2022 causing total activity to increase by 1 per cent despite the tougher sports betting comparatives.

Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 31.0 (29.6) million in the fourth quarter of 2023, growth of 5 per cent compared to the equivalent period in 2022. Casino Gross winnings revenue growth of 6 per cent compared to the equivalent period in 2022 is the driver. Romania is a particular highlight, where casino Gross winnings revenue increased by 9 per cent in local currency compared to the equivalent period in 2022 through improved casino player values. Sports betting Gross winnings revenue for the CES region declined by 7 per cent versus the same period in 2022 largely due to the Football World Cup inflating activity and turnover in the prior year comparative.

Other regions

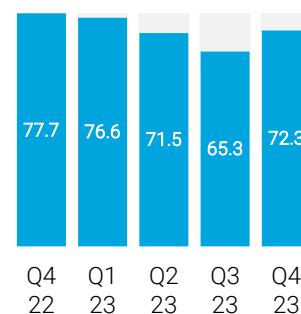
Other regions Gross winnings revenue amounted to GBP 12.9 (12.2) million for the fourth quarter of 2023, increasing by 6 per cent compared to the fourth quarter of 2022.

Gross winnings revenue for the North American market amounted to GBP 7.7 (4.4) million in the fourth quarter of 2023, an increase of 83 per cent in constant currency compared to the fourth quarter of 2022, with last year's results distorted by a large win on the World Series.

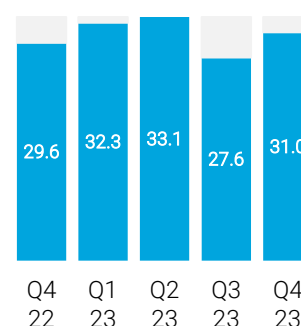
As mentioned previously, the Group's North American operations will be closed in 2024. Investment within North America has slowed following the announcement on the 29 November and the only remaining spend within North America is focused on retention of customers until the point of operational closure in the first half of 2024.

Gross winnings revenue in Australia declined by 35 per cent in local currency in the fourth quarter of 2023 compared to the fourth quarter of 2022. The decline is a combination of lower customer activity, which fell by 23 per cent on prior year comparatives, and a drop in revenue amongst the top value segment.

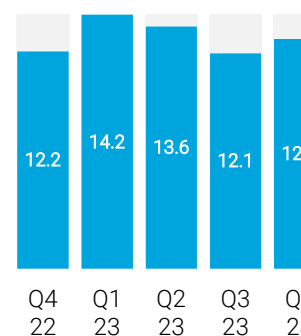
Nordics GWR (GBP m)



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 6 per cent in the fourth quarter of 2023 when compared to the fourth quarter of 2022.

The decline in sports betting revenues is driven by lower levels of activity, with a decrease of 18 per cent compared to the same quarter in 2022, influenced by the Football World Cup running in the comparative period. This filters through to sports betting turnover, which shows a decline of 15 per cent compared to the fourth quarter of 2022. On a market level, reduced activity and turnover in France, Belgium and Sweden influence the group totals.

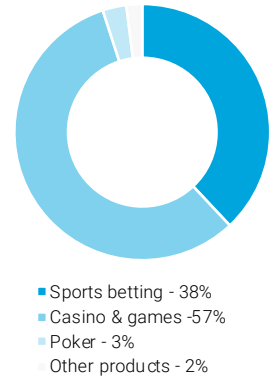
The gross margin for total sports betting for the fourth quarter of 2023 before free bets was 11.1 (10.2) per cent and after free bets was 9.9 (8.9) per cent compared to the Group’s long-term average of 9.7 per cent. Whilst a low October sports betting margin influenced results, recovery of the margin in November and December offset the initial downside to sports betting Gross winnings revenue. 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.

The trend of sports betting activity continues to push towards higher share from multiple and Bet Builder bet types, both of which typically trend at a higher margin. During the fourth quarter of 2023, we witnessed an acceleration in the growth of betting on multiples in our central markets which coincides with product and communication improvements to customers.

Kindred’s proprietary racing product contributed 4 per cent to total sports betting Gross winnings revenue in the fourth quarter of 2023. Alongside a strong racing calendar, product improvements and customer communication has been tailored towards multiples bet types which aids the growth of racing margin.

The bars in the graph below show total sports betting gross margin by quarter and full year. Please refer to page 31 for more information on sports betting margins.

GWR by product (Q4 2023)



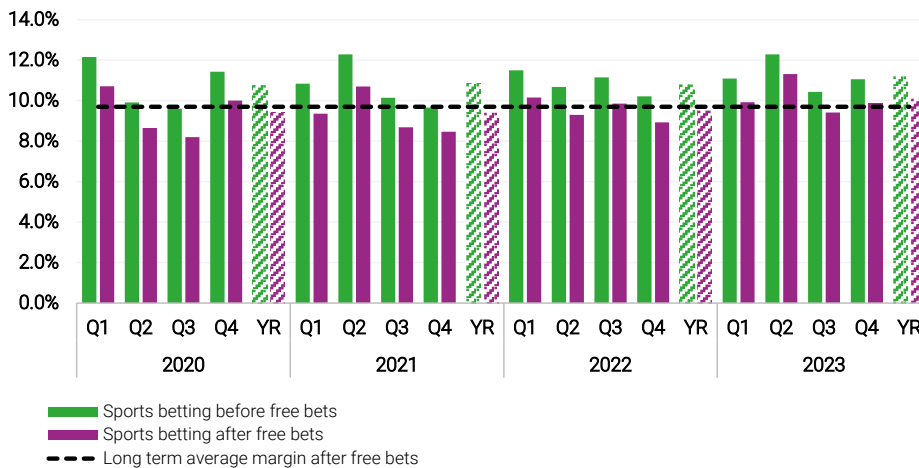
9.9%

Sports betting margin after free bets for Q4 2023, higher, than the long-term average of 9.7%

-6%

Sports betting Gross winnings revenue decrease from Q4 2022

Gross margin on sports betting



Casino & games

During the fourth quarter of 2023, Gross winnings revenue for casino & games has increased by 7 per cent compared to the same quarter of the previous year, while active customers also saw an increase of 7 per cent.

Growth is driven by strong performance in the Netherlands and the UK, with increased activity driving results rather than changes to player values. In the Netherlands, the slots product offering has been bolstered by the launch of two new suppliers and exclusive games in collaboration with our casino partners. Enhancing the slot game portfolio offered to customers remains a key part of our product strategy and is an enabler of casino activity and Gross winnings revenue growth.

In the fourth quarter 2023, emphasis has been placed on optimising the live casino product, implementing changes to live casino scheduling allowing for cost savings in the quarter whilst minimising the impact to revenue.

Poker and other products

Gross winnings revenue from poker and other products during the fourth quarter of 2023 amounts to GBP 16.4 (14.0) million, a 17 per cent increase compared to the same period in 2022. Poker active customers have increased by 1 per cent during the quarter compared to the equivalent period.

Other revenue (B2B)

Other revenue includes solely revenue from the Relax Gaming B2B business. 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 fourth quarter of 2023 when compared to the same period in the prior year. Other revenue, as reported, amounted to GBP 11.3 (10.4) million for the quarter, an increase of 9 per cent (35 per cent when adjusting the comparative as described below). Total Relax Gaming revenue, before the elimination of Kindred Group revenues, amounts to GBP 15.0 (13.3) million for the quarter, an increase of 13 per cent (33 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 fourth quarter, Relax Gaming successfully launched 10 games, including Dream Drop jackpot games and four games exclusively for Kindred. October also achieved an all-time high revenue performance on the back of a full month of the highly rated Money Train 4 (launched on 20 September).

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 fourth quarter of 2022 includes an adjustment of GBP 2 million for the change in treatment relating to January to September 2022, and is therefore not directly comparable.

+7%

Casino & games Gross winnings revenue increase from Q4 2022

+17%

Poker and other products Gross winnings revenue increase from Q4 2022

GBP

11.3m

Other revenue for Q4 2023

+35%

Other revenue increase from Q4 2022 (when adjusting for the reclassification, as detailed in the report)

Group costs and profitability

Cost of sales

GBP m	Q4		Full year	
	2023	2022	2023	2022
Betting duties	-82.7	-83.3	-318.0	-272.8
Marketing revenue share	-9.8	-9.9	-37.7	-41.8
Other cost of sales	-44.2	-47.8	-175.0	-170.3
Cost of sales	-136.7	-141.0	-530.7	-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 full year 2023, betting duties have increased more significantly, in absolute terms and as a percentage of the Group's Gross winnings revenue, from the prior year. This is expected due to market mix, with a higher proportion of revenues now coming from locally regulated markets, most notably in relation to the Dutch market following re-entry into the market in July 2022.

Marketing revenue share and other cost of sales for the fourth quarter of 2023 and the full year 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.

Gross profit

Gross profit for the fourth quarter of 2023 was GBP 176.2 (164.5) million, and for the full year 2023 was GBP 679.8 (583.8) million, increases of 7 and 16 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.

Marketing costs

Marketing costs amounted to GBP 59.9 (67.1) million for the quarter, up from GBP 53.4 million in the third quarter of 2023. The decrease from the same period in the prior year is primarily driven by the increased marketing investments for the football World Cup in the fourth quarter of 2022. On top of this, the Group significantly decreased investments in North America (to manage losses in the market and subsequently as a result of the announced market closure) as well as .com markets (due to regulatory changes) during 2023. The increase from the third quarter of 2023 is primarily driven by the usual seasonality of sporting events, with the sporting calendar always tending to be busier in the fourth quarter. Marketing costs for the full year 2023 were GBP 220.7 (227.2) million. The reasons above supporting decreased marketing investments were partially offset by increased investment in the Netherlands in 2023, following market re-entry in July 2022.

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 decreased to 23 (26) per cent for the quarter when compared to the fourth quarter of 2022, for the reasons stated above.

56%

Gross profit margin in Q4 2023 (compared to 54% in Q4 2022 and 56% in Q3 2023)

23%

B2C marketing, as a percentage of Gross winnings revenue for Q4 2023 (compared to 26% in Q4 2022 and 23% in Q3 2023)

Administrative expenses

GBP m	Q4		Full year	
	2023	2022	2023	2022
Salaries	-37.2	-35.6	-164.1	-140.8
Other operating expenses	-22.3	-22.7	-90.5	-86.6
Depreciation of property, plant and equipment	-2.6	-3.2	-11.1	-14.0
Depreciation of right-of-use assets	-3.5	-3.2	-13.8	-12.1
Amortisation of intangible assets	-10.3	-8.1	-38.7	-30.1
Total administrative expenses	-75.9	-72.8	-318.2	-283.6

The increase in salaries in the fourth quarter of 2023 and for the full year 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 third quarter of 2023 salaries have decreased, with the Group's focus on cost optimisation stemming cost growth in this area. However, this was also supported by lower variable employee compensation in the fourth quarter.

Other operating expenses decreased slightly from the same period in 2022 and remained in line with the third quarter of 2023. Increases from the prior year in certain costs linked to headcount growth and the development of the proprietary sportsbook platform (as described above), are being offset by the Group's cost optimisation actions taken.

The increase in amortisation of intangible assets for the fourth quarter and the full year 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 2.6 (2.6) million for the fourth quarter of 2023 and GBP 10.2 (10.0) million for the full year 2023.

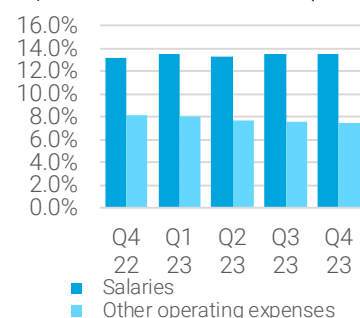
Underlying EBITDA

GBP m	Q4		Full year	
	2023	2022	2023	2022
Gross profit	176.2	164.5	679.8	583.8
Marketing costs	-59.9	-67.1	-220.7	-227.2
Salaries	-37.2	-35.6	-164.1	-140.8
Other operating expenses	-22.3	-22.7	-90.5	-86.6
Underlying EBITDA	56.8	39.1	204.5	129.2

Underlying EBITDA for the quarter, as defined above, increased by 45 per cent from the same quarter in the prior year whilst the underlying EBITDA margin increased by 5 percentage points. When comparing to the third quarter of 2023, the underlying EBITDA margin increased by 3 percentage points. This is predominantly driven by the increase in revenues, which has improved the Group's scalability as well as a significant focus on cost optimisation. It has also been supported by a significantly increased contribution from the highly scalable Relax Gaming business, as detailed below.

Underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the North American market of GBP 6.1 (14.9) million, down from GBP 6.5 million for the third quarter of 2023. The comparative 2022 period includes the negative impact of GBP 4.4 million following a customer winning a significant bet, as previously disclosed. On top of this, the improvement from the fourth quarter of 2022 is due to reduction in investment in the market following the announcement in November 2023 that the Group's North American operations will be closed in the first half of 2024. Excluding the impact of North America, the underlying EBITDA margin for the quarter was 21 (18) per cent.

Expenses as a % of revenue (LTM)



GBP

56.8m

Underlying EBITDA for Q4 2023

18%

Underlying EBITDA margin in Q4 2023 (compared to 13% in Q4 2022 and 15% in Q3 2023)

21%

Underlying EBITDA margin, excluding North America, in Q4 2023 (compared to 18% in Q4 2022 and 18% in Q3 2023)

Underlying EBITDA for the quarter also includes the impact of Relax Gaming on the Group's consolidated underlying EBITDA of GBP 7.4 (4.3) million, a 72 per cent increase from the same period of the prior year and a 25 per cent increase from the third quarter of 2023. This continues to demonstrate the strength and scalability of the Relax business.

Items affecting comparability

GBP m	Q4		Full year	
	2023	2022	2023	2022
Personnel restructuring costs	-3.9	-	-9.6	-0.3
Regulatory sanctions	-0.2	-8.0	-0.2	-8.0
Market closure and contract termination costs	-26.2	-1.9	-33.8	-2.5
Subsidy for warrants, incentive programme	-	-	-	-0.8
Strategic review costs	-2.4	-	-4.9	-
Other (losses)/gains	-4.1	38.4	-3.4	69.9
Impairment losses	-20.8	-	-20.8	-
Items affecting comparability	-57.6	28.5	-72.7	58.3

Items affecting comparability amounted to a negative contribution of GBP 57.6 (positive contribution of 28.5) million for the quarter.

Personnel restructuring costs of GBP 3.9 (nil) million follow on from those recognised during the first three quarters of the year. These costs 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. These costs also include the impact on employees in North America, following the announcement in November 2023 that the Group's North American operations will be closed in 2024.

Market closure and contract termination costs of GBP 26.2 (1.9) million relate to contract termination costs and provisions for onerous contracts for the North American market and customer claims. Some contract negotiations are still ongoing and therefore costs included are a current expectation of the final cost and could be subject to change. Customer claims are not considered to be a part of the Group's core business, as a result of the closure of the markets where such claims are received, and are therefore recognised within items affecting comparability.

Impairment losses on assets of GBP 20.8 (nil) million relates solely to the decision announced in November 2023, to close the Group's North American operations during 2024. Asset impairment charges comprise:

- Impairment of intangible assets of GBP 17.0 million, primarily relating to gaming licences and platform development.
- Impairment of property, plant and equipment of GBP 1.9 million, primarily relating to the Group's North American offices and certain retail operations.
- Impairment of right-of-use assets of GBP 1.9 million relating to the Group's North American offices.

Strategic review costs of GBP 2.4 (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 fourth quarter of 2023 comprise:

- Fair value losses of GBP 0.3 (gains of 40.9) million primarily in relation to forward contracts. As previously reported, fair value gains in the fourth 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 40.8 million.

- Foreign currency losses of GBP 2.1 (2.5) 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.
- Other losses of GBP 1.7 million where a technical issue led to customer overpayments, following a mistake by one of Kindred's long-term partners. This is the expected maximum impact to Kindred after receipt of certain reimbursements.

EBITDA and (loss)/profit from operations

GBP m	Q4		Full year	
	2023	2022	2023	2022
Underlying EBITDA	56.8	39.1	204.5	129.2
Personnel restructuring costs	-3.9	-	-9.6	-0.3
Regulatory sanctions	-0.2	-8.0	-0.2	-8.0
Market closure and contract termination costs	-26.2	-1.9	-33.8	-2.5
Subsidy for warrants, incentive programme	-	-	-	-0.8
Strategic review costs	-2.4	-	-4.9	-
Other (losses)/gains	-4.1	38.4	-3.4	69.9
EBITDA	20.0	67.6	152.6	187.5
Depreciation of property, plant and equipment	-2.6	-3.2	-11.1	-14.0
Depreciation of right-of-use assets	-3.5	-3.2	-13.8	-12.1
Amortisation of intangible assets	-10.3	-8.1	-38.7	-30.1
Impairment losses	-20.8	-	-20.8	-
(Loss)/Profit from operations	-17.2	53.1	68.2	131.3

EBITDA for the fourth quarter of 2023 was GBP 20.0 (67.6) million and loss from operations for the fourth quarter of 2023 was GBP 17.2 (profit of 53.1) million. For the full year 2023, EBITDA was GBP 152.6 (187.5) million and profit from operations was GBP 68.2 (131.3) million. On top of the reasons provided previously for underlying EBITDA, the variances in these metrics from the prior year were heavily impacted by the changes in items affecting comparability and amortisation charges as explained in previous sections.

Net finance costs/income

Net finance costs for the fourth quarter of 2023 were GBP 1.9 (1.2) million and for the full year 2023 were GBP 8.7 (4.5) million. This primarily comprises interest and fees on borrowings which amounted to GBP 2.7 (1.7) million for the fourth quarter and GBP 10.1 (4.4) million for the full year 2023.

(Loss)/Profit before tax

Loss before tax for the fourth quarter of 2023 was GBP 19.1 (profit of 51.9) million. Profit before tax for the full year 2023 was GBP 59.5 (126.8) million. The loss before tax for the quarter was heavily impacted by the negative contribution from items affecting comparability of GBP 57.6 (positive contribution of 28.5) million, as explained previously in the report.

(Loss)/Profit after tax

Loss after tax for the fourth quarter of 2023 was GBP 18.7 (profit of 50.0) million. Profit after tax for the full year 2023 was GBP 47.2 (120.1) million. Following the Group's announcement of the closure of its North America operations, substantial items affecting comparability were reported in the fourth quarter of 2023 which negatively impact profit before tax. As a result, the effective tax rate (ETR) for the full year 2023 has increased to 20.7 per cent. However, if we eliminate these one-off costs the recalculated ETR would be 15.9 per cent, aligning closely with that in preceding quarters/years.

GBP

20.8m

Loss after tax for Q4 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 1.7 (gain of 0.6) million for the fourth quarter. At 31 December 2023, a gain of GBP 8.8 (4.8) 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 fourth quarter of 2023 stood at GBP 240.3 (254.9) million while at the beginning of the quarter it was GBP 248.8 (264.9) million. Please refer to the cash flow section for more detail on the movement during the period and to page 28 for a reconciliation of the unrestricted cash balance.

At 31 December 2023, GBP 142.6 (136.6) million of the Group's facilities was utilised out of a total of GBP 223.0 (227.6) 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 141.8 (135.5) million are reported net of the associated transaction fees for the facilities agreement which are being expensed over its duration.

GBP

27.4m

Net cash at 31 December 2023

The Group is therefore in a net cash position, amounting to GBP 27.4 (39.2) million at 31 December 2023. Net cash / EBITDA (rolling 12-month basis) for the quarter was 0.18 (0.21).

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 fourth quarter of 2023 and the full year 2023, intangible assets of GBP 14.2 (10.3) million and GBP 45.9 (38.3) 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 fourth quarter of 2023 were GBP 14.0 (10.2) million, bringing the total capitalised for the full year 2023 to GBP 45.6 (36.9) 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.

Cash flow

Net cash generated from operating activities amounted to GBP 62.0 (53.9) million for the fourth quarter of 2023, and GBP 164.0 (138.7) million for the full year 2023. The movements when comparing to the same periods in 2022 are 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 16.0 (12.9) million for the fourth quarter of 2023 and GBP 48.8 (51.5) million for the full year 2023. On top of the movements in capital investments detailed above, which impact both aforementioned periods, the full year 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 fourth quarter were primarily impacted by the payment of the second instalment of the 2022 dividend of GBP 36.8 (36.4) million and net payments of borrowings of GBP 13.0 (net proceeds of 0.4) million. For the full year 2023, cash flows used in financing activities were primarily impacted by the full payment of the 2022 dividend of GBP 74.0 (73.2) million, net proceeds from borrowings of GBP 10.0 (22.5) million and share purchases of GBP 34.2 (43.9) million.

GBP m	Q4		Full year	
	2023	2022	2023	2022
Net cash generated from operating activities	62.0	53.9	164.0	138.7
Purchases of property, plant and equipment	-2.6	-2.9	-9.6	-9.5
Development and acquisition costs of intangible assets	-14.2	-10.3	-45.9	-38.3
Interest paid on lease liabilities	-0.3	-0.3	-1.2	-1.2
Repayment of lease liabilities	-2.4	-2.7	-13.1	-11.9
Adjust for: customer balance movement	4.3	-6.8	9.1	-8.2
Free cash flow	46.8	30.9	103.3	69.6

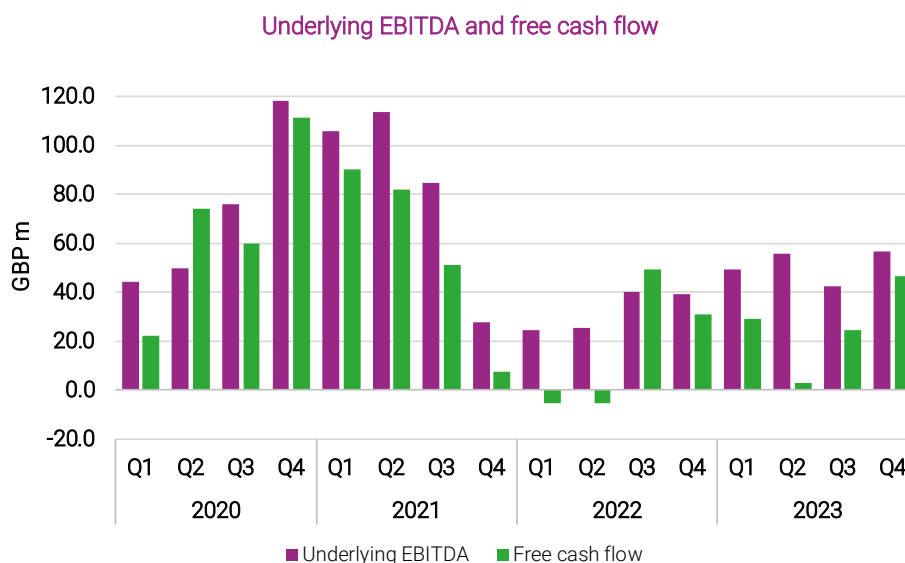
GBP

46.8m

Free cash flow for Q4 2023

Free cash flow, as defined in the table above, increased by GBP 15.9 million for the quarter and by GBP 33.7 million for the full year, 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 fourth quarter of 2023 standing at 82 (79) per cent.



Dividend proposal for 2023

Following the announced public cash offer from La Française des Jeux (see page 4), and the way the offer is structured, where any dividends prior to settlement of the offer would reduce the offer price accordingly, the Board of Directors do not propose a dividend in respect of the financial year 2023.

Operational review

Market overview

Belgium

The law proposal reviewing the Gambling Act (including the introduction of the hard multiproduct ban) was scheduled for a final vote in the Federal Parliament during the quarter. It was eventually delayed, pending advice by the Council of State, and is now expected in the first quarter of 2024.

Bago (Belgian trade body) organised a stakeholder event and announced the signature by its 6 members (including Kindred) of a duty of care covenant.

Denmark

The Danish Gambling Authority (DGA) is launching their nationwide initiative targeting young people under the age of 18 that focuses on the consequences associated with gambling. The campaign takes a youthful approach and is heavily promoted on social media.

The DGA also launched the website StyrPåSpillet.dk, a platform that gathers all relevant information about gambling and compulsive gambling.

France

The regulator ANJ has published its long-awaited report on the illegal offering, with a sizing of the market that is aligned with our trade body (AFJEL) estimate of over three million French citizens playing on more than five hundred websites. This is the first public study confirming the scope and extent of the issue, including regarding problem gambling, which is estimated to be over one third of the customers using the illegal offer.

Kindred and AFJEL organised the first safer gambling conference. Participants in the three round tables included legacy operators, three regulators including ANJ, three responsible gambling NGOs, one Minister and one MP. The event was recognised externally by ANJ and the French Government as a very valuable and important initiative.

Finland

The shift toward local reregulation is moving faster than previously estimated due to political guidance and expectations. A proposal for a new lottery act is expected to be submitted for public consultation in the spring of 2024.

An open stakeholder meeting was held in November. The industry was represented by the Trade Association who conveyed the industry's high-level points of view on the prerequisites for a well-functioning licensing system in Finland.

Netherlands

An amendment to raise the gambling tax by 1 percentage point from 1 January 2024 was approved by Parliament in October 2023. Simultaneously, Parliament called upon the government to do a study into the possibilities of introducing differentiation in the gambling tax between different types of games of chance. This study is expected in early 2024.

In December, the Ministry of Justice and the regulator both proposed new policy measures to better protect consumers. Both proposals have a different legislative status, timeline and foreseen implementation:

- The Ministry of Justice's proposal focuses on a neutral environment for players to set their playing limits combined with the introduction of a deposit limit with a mandatory contact moment if a player wants to increase their limit. The ministerial decree to implement these changes will be put forward for consultation in February 2024. Implementation is expected in the fourth quarter of 2024.
- The regulator's policy rules are aimed at tightening the duty of care. The proposed policy rules by the KSA focus on affordability checks, real-time monitoring and the identification of problem gambling. Implementation is expected in April 2024.

Norway

In October 2023, the Norwegian Supreme Court ruled to not grant Trannel International Limited (Trannel), a wholly owned subsidiary of Kindred, leave to appeal the cease-and-desist order from April 2019.

In December 2023, the Oslo Town Court ruled in favour of the Norwegian Government in the case regarding the legality of the coercive fine given to Trannel by the Norwegian Gaming Authority (NGA).

Since October 2022, Trannel has made several changes to how it operates in order to meet the standards set by the NGA in April 2019. The recent court decision is based only on Trannel's operations as of December 2022 and does not include the improvements made in 2023. Trannel now follows the April 2019 guidelines and does not actively offer games in Norway but allows Norwegians to play if they choose to. Norwegians playing with foreign gambling companies like Trannel are not breaking any laws and, because of this, Trannel plans to appeal the court's decision in relation to the legality of the coercive fine.

Kindred continues through other legal proceedings to challenge the enforceability of the regulator's decision as it firmly believes that the Norwegian regime remains inherently incompatible with EEA law. While these proceedings are ongoing and Kindred is passively available to Norwegian residents through its Maltese license, Kindred actively argues in favour of sustainable re-regulation and a transparent licensing regime in Norway which is the only long-term solution that meets the fundamental requirements of EEA law.

Sweden

The Swedish Government has proposed a rise in gambling tax from 18 to 22 percent. In addition, the government submitted a bill to parliament aimed at increasing consumer protection and combating crime associated with gambling.

The Swedish Gambling Authority (SGA) announced Sweden's intention to join the Macolin Convention as part of its efforts to prevent corruption in sports betting. In addition, the SGA held an industry workshop on unlicensed gambling. Both the SGA and the Financial

Supervisory Authority will continue to develop their government instruction to collaborate against anti-money laundering and illegal gambling.

Romania

A new emergency ordinance came into force in October with specific requirements for gambling operators. The main requirements were: the creation of a permanent establishment in Romania by April 2024, a new guarantee of EUR 7 million, a new Responsible Gambling fund of EUR 500 thousand per year, and a decrease in betting duty rate from 23 to 21 per cent.

Kindred participated in a round-table debate with multiple industry stakeholders. On the back of the debate a project is underway to establish and build a wider stakeholder coalition to address future gambling regulation in Romania, led by the International Advertising Association.

UK

The UK Gambling Commission published its next round of consultations following the White Paper focusing on socially responsible incentives and customer led safer gambling tools.

The UK Government also announced it will launch a consultation on aligning remote gambling duty into a single tax – a process that will take a number of years.

Product segment overview

Sports betting – KSP Development

The Kindred Sportsbook Platform was granted a license from the Malta Gaming Authority in December. Development remains on track and the product has been launched in a live test market with invited customers. Further market rollout will take place across the next 24 months.

Sports betting – current operations

Positive momentum throughout the period on the use of higher-margin products such as Bet Builder. Work to optimise margins continues, with over 1,500 adjustments to payback efficiency made throughout the quarter.

Improvements were made to the Kindred Racing Platform to enhance the visibility of multiple bet options for customers and highlight the availability of special bets with a higher margin.

Live casino

Work to optimise Kindred's live casino offering continued throughout the quarter. A number of live tables were closed, and hours adjusted to have live tables running in peak hours. An exclusive game, 'Wild Runner', was launched in the Netherlands.

Casino

Overall growth in casino was supported by the launch of new slot provider 'Wazdan'. Festive themed games were extremely popular during the period, and growth in the Netherlands was further supported by the launch of 'Inspired' and 'Booming' slot games providers to the market.

Poker

5,000 players from 35 countries participated in the Unibet online 2023 series, the flagship online poker event of the Unibet brand. Live poker remains extremely popular and the 'Unibet Open' took place in Bucharest during the period.

Relax Gaming

During the fourth quarter, Relax Gaming released nine new games, three of which were Dream Drop jackpot games and four Kindred exclusive releases. In addition, deals were signed with twelve new operators. Growth in North America continued, following approval to launch in New Jersey, and performance on the award winning 'Money Train 4' game was particularly strong.

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.

Responsible Gambling

In the fourth quarter, we continued our progress in our Safer Gambling initiatives. Our commitment to fostering healthier gambling behaviour after detection has resulted in continued improvement in the percentage of customers displaying positive changes. This key metric now stands at 87.4 per cent.

We also see an improvement in the Harmful Revenue KPI and report a result under the third quarter figure, 3.1 per cent harmful gambling revenue. This reflects continuous efforts to minimise the impact of harmful gambling and shows a positive trend in the right direction.

Our focus on a low but steady downward trend has yielded encouraging results. We have intensified our detection efforts, which positions us well in our continuous commitment to identifying and addressing problematic gambling behaviour.

Expanding on our PS-EDS Automated Interventions initiative, we have further rolled it out across multiple markets. This expansion allows us to increase the volume of customers that we can reach, and also enhances the speed at which we can provide interventions, contributing to a more comprehensive and efficient Safer Gambling journey for our customers.

Additionally, our dedication to training remains steadfast. Through our Responsible Gambling sessions, we strive to empower our teams with valuable insights and skills. Together, we pave the way towards a culture of awareness and proactive engagement, fostering not just responsible gambling practices, but a deeper understanding of the impact from harmful gambling on individuals' lives.

As we conclude 2023, we remain optimistic about the positive impact of our initiatives and look forward to building upon these foundations in 2024.

CSRD reporting

The Corporate Sustainability Reporting Directive (CSRD) is the reporting standard Kindred is required to align with for the 2024 Annual and Sustainability Report. During the fourth quarter, Kindred completed the first major milestone of the CSRD remediation process – the double materiality assessment. This assessment provides a framework for CSRD standards that Kindred is required to report on, and the most material sustainability topics Kindred is required to focus on. The outcome of this work was received well by the Group and was signed off by the Board during the quarter.

Player/market sustainability

In the UK, Kindred launched a partnership between EPIC Global Solutions and the football club Rangers FC to deliver gambling education for players and staff across the club (the first of its kind for the Scottish Premier League).

In France, Kindred hosted an inaugural conference on safer gambling in conjunction with AFJEL (the trade association). Three round tables were facilitated, and tough but important conversations were had with other legacy operators, online operators, regulators, RG NGOs, a minister and an MP.

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 2,453 (2,332) employees at 31 December 2023, compared with 2,476 employees at 30 September 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 205 (224) at 31 December 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.

In 2021, the Organisation for Economic Co-operation and Development (OECD) and G20 Inclusive Framework released proposed Model Rules for a two-pillar international tax reform. The main focus recently has been on implementing the OECD Model Rules for a global minimum tax rate of 15 per cent (Pillar 2). On 12 December 2022, agreement was reached at EU level on adopting a Directive implementing the global minimum tax as from 2024, which was required to be transposed into domestic legislation of the EU Member States by 31 December 2023. Malta, the Group's ultimate parent jurisdiction, has opted to apply the derogation afforded by the EU Directive, allowing for a delay in implementation of the global minimum tax rules. Therefore, for the fiscal year 2024, Malta will not introduce the Income Inclusion Rule nor the Undertaxed Profits Rule. The Maltese Government also announced that it will not introduce a qualified domestic top-up tax for the fiscal year 2024.

Many crucial details regarding the global minimum tax developments are yet to be determined, and, in some instances, the enactment and timing remain uncertain. While the Group continues to monitor these potential changes with the expectation that the Group's Effective Tax Rate may be impacted from the financial year 2024, it is too early to provide a precise estimation of the impact in view of the uncertainty around the implementation and interpretation of these rules while these and other tax laws are revised, enacted and implemented.

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.

Annual Report and Sustainability Report

Kindred Group plc's combined Annual Report and Sustainability Report for the 2023 financial year will be available on its website, www.kindredgroup.com, from 13 March 2024.

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

Malta, 7 February 2024

Nils Andén
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.

Condensed consolidated income statement

GBP m	Q4		Full year	
	2023	2022	2023	2022
Revenue	312.9	305.5	1,210.5	1,068.7
Betting duties	-82.7	-83.3	-318.0	-272.8
Marketing revenue share	-9.8	-9.9	-37.7	-41.8
Other cost of sales	-44.2	-47.8	-175.0	-170.3
Cost of sales	-136.7	-141.0	-530.7	-484.9
Gross profit	176.2	164.5	679.8	583.8
Marketing costs	-59.9	-67.1	-220.7	-227.2
Salaries	-37.2	-35.6	-164.1	-140.8
Other operating expenses	-22.3	-22.7	-90.5	-86.6
Depreciation of property, plant and equipment	-2.6	-3.2	-11.1	-14.0
Depreciation of right-of-use assets	-3.5	-3.2	-13.8	-12.1
Amortisation of intangible assets	-10.3	-8.1	-38.7	-30.1
Total administrative expenses	-75.9	-72.8	-318.2	-283.6
Underlying profit before items affecting comparability	40.4	24.6	140.9	73.0
Personnel restructuring costs	-3.9	-	-9.6	-0.3
Regulatory sanctions	-0.2	-8.0	-0.2	-8.0
Market closure and contract termination costs	-26.2	-1.9	-33.8	-2.5
Subsidy for warrants, incentive programme	-	-	-	-0.8
Strategic review costs	-2.4	-	-4.9	-
Other (losses)/gains	-4.1	38.4	-3.4	69.9
Impairment losses	-20.8	-	-20.8	-
(Loss)/Profit from operations	-17.2	53.1	68.2	131.3
Finance costs	-3.0	-2.0	-11.3	-5.9
Finance income	1.1	0.8	2.6	1.4
(Loss)/Profit before tax	-19.1	51.9	59.5	126.8
Income tax expense	0.4	-1.9	-12.3	-6.7
(Loss)/Profit after tax	-18.7	50.0	47.2	120.1
(Loss)/Profit is attributable to:				
Owners of Kindred Group plc	-19.1	49.9	46.5	119.9
Non-controlling interests	0.4	0.1	0.7	0.2
Total (loss)/profit	-18.7	50.0	47.2	120.1
Earnings per share (GBP)	-0.09	0.23	0.22	0.54
Diluted earnings per share (GBP)	-0.09	0.23	0.21	0.54

Condensed consolidated statement of comprehensive income

GBP m	Q4		Full year	
	2023	2022	2023	2022
(Loss)/Profit after tax	-18.7	50.0	47.2	120.1
Other comprehensive (loss)/income				
Currency translation adjustments taken to equity	6.1	-3.9	-13.3	21.8
(Losses)/gains on net investment hedge	-1.7	0.6	4.0	-1.6
Total comprehensive (loss)/income for the period	-14.3	46.7	37.9	140.3
Total comprehensive (loss)/income for the period is attributable to:				
Owners of Kindred Group plc	-14.7	46.6	37.2	139.8
Non-controlling interests	0.4	0.1	0.7	0.5
Total comprehensive (loss)/income for the period	-14.3	46.7	37.9	140.3

Condensed consolidated balance sheet

GBP m	31 Dec 2023	31 Dec 2022
Assets		
Non-current assets		
Property, plant and equipment	15.0	19.1
Right-of-use assets	36.9	49.7
Goodwill	433.4	438.4
Other intangible assets	256.2	270.4
Deferred tax assets	49.5	40.0
Convertible bond	-	6.8
Other non-current assets	3.8	3.5
	794.8	827.9
Current assets		
Taxation recoverable	58.7	70.8
Trade and other receivables	64.4	66.5
Financial assets at fair value through profit and loss	-	1.1
Cash and cash equivalents	240.3	254.9
	363.4	393.3
Total assets	1,158.2	1,221.2
Equity and liabilities		
Capital and reserves		
Share capital	0.1	0.1
Share premium	81.5	81.5
Currency translation reserve	16.3	25.6
Reorganisation reserve	-42.9	-42.9
Retained earnings	446.8	524.9
Total equity attributable to the owners	501.8	589.2
Non-controlling interest	5.8	5.8
Total equity	507.6	595.0
Non-current liabilities		
Borrowings	141.8	135.5
Lease liabilities	25.9	37.8
Deferred tax liabilities	21.3	22.5
Provisions	1.9	1.9
	190.9	197.7
Current liabilities		
Trade and other payables	217.8	199.6
Customer balances	71.1	80.2
Deferred income	5.3	5.9
Tax liabilities	90.5	107.1
Lease liabilities	15.3	13.6
Other financial liabilities at fair value through profit and loss	25.7	2.2
Provisions	34.0	19.9
	459.7	428.5
Total liabilities	650.6	626.2
Total equity and liabilities	1,158.2	1,221.2

Condensed consolidated statement of changes in equity

GBP m	Q4		Full year	
	2023	2022	2023	2022
Opening balance of total equity at beginning of period	582.5	593.8	595.0	565.2
Comprehensive (loss)/income				
(Loss)/Profit for the period	-18.7	50.0	47.2	120.1
Other comprehensive (loss)/income:				
Currency translation adjustments taken to equity	6.1	-3.9	-13.3	21.8
(Losses)/gains on net investment hedge	-1.7	0.6	4.0	-1.6
Total comprehensive (loss)/income	-14.3	46.7	37.9	140.3
Transactions with owners				
Employee share schemes - value of employee services	1.9	1.9	-4.0	2.1
Acquisition of non-controlling interest shares	-24.7	-	-24.7	-
Sale of warrants, incentive program	-	-	-	0.4
Treasury share purchases	-	-10.0	-34.2	-43.9
Disposal / utilisation of treasury shares	-	-	12.7	5.3
Dividend paid to shareholders	-37.1	-36.8	-74.4	-73.8
Dividend paid to non-controlling interests	-0.7	-0.6	-0.7	-0.6
Total transactions with owners	-60.6	-45.5	-125.3	-110.5
Closing balance of total equity at end of period	507.6	595.0	507.6	595.0
Equity is attributable to:				
Owners of Kindred Group plc	501.8	589.2	501.8	589.2
Non-controlling interests	5.8	5.8	5.8	5.8
Total equity	507.6	595.0	507.6	595.0

Condensed consolidated cash flow statement

GBP m	Q4		Full year	
	2023	2022	2023	2022
Operating activities				
(Loss)/Profit from operations	-17.2	53.1	68.2	131.3
Adjustments for:				
Depreciation of property, plant and equipment	2.6	3.2	11.1	14.0
Depreciation of right-of-use assets	3.5	3.2	13.8	12.1
Amortisation of intangible assets	10.3	8.1	38.7	30.1
Impairment losses	20.8	-	20.8	-
Loss on disposal of intangible assets	0.9	0.3	1.1	0.9
Loss on disposal of property, plant & equipment	0.1	0.1	0.1	0.1
Other losses/(gains)	0.7	-40.2	1.8	-78.0
Share-based payments	1.9	1.9	8.7	7.4
Operating cash flows before movements in working capital	23.6	29.7	164.3	117.9
Decrease/(increase) in trade and other receivables	14.9	6.2	1.7	-14.5
Increase in trade and other payables, including customer balances and provisions	23.0	14.4	25.4	54.5
Cash flows from operating activities	61.5	50.3	191.4	157.9
Net income taxes received/(paid)	0.5	3.6	-27.4	-19.2
Net cash generated from operating activities	62.0	53.9	164.0	138.7
Investing activities				
Acquisition of subsidiaries, net of cash acquired	-	-	-0.4	-
Settlement of contingent consideration	-	-	-1.9	-4.4
Interest received	0.8	0.3	2.5	0.7
Settlement of convertible bond	-	-	6.5	-
Purchases of property, plant and equipment	-2.6	-2.9	-9.6	-9.5
Development and acquisition costs of intangible assets	-14.2	-10.3	-45.9	-38.3
Net cash used in investing activities	-16.0	-12.9	-48.8	-51.5
Financing activities				
Interest paid	-3.4	-2.2	-9.8	-5.6
Interest paid on lease liabilities	-0.3	-0.3	-1.2	-1.2
Repayment of lease liabilities	-2.4	-2.7	-13.1	-11.9
Dividend paid to shareholders	-36.8	-36.4	-74.0	-73.2
Dividend paid to non-controlling interests	-0.7	-0.6	-0.7	-0.6
Treasury share purchases	-	-10.0	-34.2	-43.9
Sale of warrants, incentive program	-	-	-	0.4
Proceeds from borrowings	6.0	16.2	95.6	76.7
Repayment of borrowings	-19.0	-15.8	-85.6	-54.2
Net cash used in financing activities	-56.6	-51.8	-123.0	-113.5
Net decrease in cash and cash equivalents	-10.6	-10.8	-7.8	-26.3
Cash and cash equivalents at beginning of period	248.8	264.9	254.9	270.6
Effect of foreign exchange rate changes	2.1	0.8	-6.8	10.6
Cash and cash equivalents at end of period	240.3	254.9	240.3	254.9

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 12 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	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	240.3	254.9
Customer balances	-71.1	-80.2
Unrestricted cash	169.2	174.7
Less: Borrowings	-141.8	-135.5
Net cash	27.4	39.2

Key ratios

	Q4		Full year	
	2023	2022	2023	2022
Gross winnings revenue from locally regulated markets (%)	82%	81%	82%	79%
B2C marketing as a % of Gross winnings revenue (%)	23%	26%	22%	26%
Return on average equity, annualised (%)	-13%	36%	12%	23%
Underlying EBITDA margin (%)	18%	13%	17%	12%
Net cash / EBITDA, rolling 12-month basis	0.18	0.21	0.18	0.21
Cash conversion (%)	82%	79%	51%	54%
Free cash flow per share (GBP)	0.22	0.14	0.48	0.32
Earnings per share (GBP)	-0.09	0.23	0.22	0.54
Diluted earnings per share (GBP)	-0.09	0.23	0.21	0.54
Employees at period end	2,453	2,332	2,453	2,332
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	232,018,730	232,074,281	232,018,730	232,074,281
Weighted average number of outstanding shares	215,008,254	218,334,347	215,590,888	220,068,616
Weighted average number of diluted outstanding shares	216,924,328	220,296,191	218,047,809	222,094,481

¹ At 31 December 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:	31 Dec 2023	31 Dec 2022	YoY Delta
Rate to GBP			
AUD	1.871	1.769	-5.8%
DKK	8.576	8.385	-2.3%
EUR	1.151	1.127	-2.1%
NOK	12.934	11.854	-9.1%
SEK	12.768	12.540	-1.8%
USD	1.272	1.203	-5.7%

Income statement averages for the quarter:

Rate to GBP	Avg Q4 2023	Avg Q4 2022	YoY Delta
AUD	1.907	1.787	-6.7%
DKK	8.603	8.552	-0.6%
EUR	1.154	1.150	-0.3%
NOK	13.434	11.948	-12.4%
SEK	13.225	12.578	-5.1%
USD	1.241	1.174	-5.7%

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

GBP m	Q4 2023
Revenue	-3.7
Cost of sales / operating expenses	4.5
Underlying EBITDA	0.8
Foreign currency loss on operating items	-2.1
Foreign exchange gain on dividend	0.3
Other items below EBITDA	0.2
Loss after tax	-0.8

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.

Q4 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	300.7	-	0.9	301.6
Other revenue (B2B)	-	15.0	-3.7	11.3
Total revenue	300.7	15.0	-2.8	312.9
Cost of sales	-136.6	-2.3	2.2	-136.7
Gross profit	164.1	12.7	-0.6	176.2

Year ended 31 Dec 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	1,168.3	-	3.6	1,171.9
Other revenue (B2B)	-	51.7	-13.1	38.6
Total revenue	1,168.3	51.7	-9.5	1,210.5
Cost of sales	-531.2	-8.0	8.5	-530.7
Gross profit	637.1	43.7	-1.0	679.8

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 FY	2022 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	74.4	61.7	74.9	74.3	81.4	66.1	57.7	67.9	285.3	273.1
Nordics	25.3	19.3	24.8	26.4	26.8	25.6	23.4	24.9	95.8	100.7
Central, Eastern and Southern Europe	8.7	7.4	10.7	12.1	9.4	9.3	9.1	11.1	38.9	38.9
Other	6.5	6.1	6.1	7.4	4.2	7.9	7.6	7.4	26.1	27.1
Total	114.9	94.5	116.5	120.2	121.8	108.9	97.8	111.3	446.1	439.8

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

Western Europe	-9%	-7%	30%	9%	35%	-15%	-52%	-41%	4%	-26%
Nordics	-6%	-25%	6%	6%	13%	8%	-27%	-11%	-5%	-6%
Central, Eastern and Southern Europe	-7%	-20%	18%	9%	13%	9%	-18%	1%	0%	0%
Other	55%	-23%	-20%	0%	-53%	30%	-6%	16%	-4%	-8%
Total	-6%	-13%	19%	8%	20%	-6%	-43%	-30%	1%	-20%

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

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION	2023				2022				2023 FY	2022 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	111.0	108.0	105.2	99.9	94.2	85.7	61.8	59.2	424.1	300.9
Nordics	47.0	46.0	46.7	50.2	50.9	52.7	50.8	48.9	189.9	203.3
Central, Eastern and Southern Europe	22.3	20.2	22.4	20.2	20.2	18.2	17.1	16.7	85.1	72.2
Other	6.4	6.0	7.5	6.8	8.0	6.4	6.0	6.3	26.7	26.7
Total	186.7	180.2	181.8	177.1	173.3	163.0	135.7	131.1	725.8	603.1

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

Western Europe	18%	26%	70%	69%	50%	-23%	-51%	-53%	41%	-30%
Nordics	-8%	-13%	-8%	3%	0%	14%	17%	23%	-7%	13%
Central, Eastern and Southern Europe	10%	11%	31%	21%	5%	6%	-1%	-7%	18%	1%
Other	-20%	-6%	25%	8%	27%	-12%	-13%	-26%	0%	-8%
Total	8%	11%	34%	35%	24%	-11%	-30%	-32%	20%	-15%

TOTAL BY REGION

TOTAL BY REGION	2023				2022				2023 FY	2022 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	185.4	169.7	180.1	174.2	175.6	151.8	119.5	127.1	709.4	574.0
Nordics	72.3	65.3	71.5	76.6	77.7	78.3	74.2	73.8	285.7	304.0
Central, Eastern and Southern Europe	31.0	27.6	33.1	32.3	29.6	27.5	26.2	27.8	124.0	111.1
Other	12.9	12.1	13.6	14.2	12.2	14.3	13.6	13.7	52.8	53.8
Total	301.6	274.7	298.3	297.3	295.1	271.9	233.5	242.4	1,171.9	1,042.9

Share of total (%)

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

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

Western Europe	6%	12%	51%	37%	43%	-20%	-51%	-47%	24%	-28%
Nordics	-7%	-17%	-4%	4%	4%	12%	-2%	9%	-6%	6%
Central, Eastern and Southern Europe	5%	0%	26%	16%	7%	7%	-7%	-4%	12%	1%
Other	6%	-15%	0%	4%	-20%	7%	-9%	-8%	-2%	-8%
Total	2%	1%	28%	23%	23%	-9%	-36%	-31%	12%	-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	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
Gross winnings revenue (GBP m)										
Sports betting	114.9	94.5	116.5	120.2	121.8	108.9	97.8	111.3	446.1	439.8
Casino & games	170.3	166.0	169.5	162.1	159.3	149.5	123.4	119.8	667.9	552.0
Poker	8.9	8.1	8.0	9.4	8.6	7.4	6.6	7.1	34.4	29.7
Other products	7.5	6.1	4.3	5.6	5.4	6.1	5.7	4.2	23.5	21.4
Total	301.6	274.7	298.3	297.3	295.1	271.9	233.5	242.4	1,171.9	1,042.9
Share of total (%)										
Sports betting	38%	34%	39%	40%	41%	40%	42%	46%	38%	42%
Casino & games	57%	61%	57%	55%	54%	55%	53%	49%	57%	53%
Poker	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other products	2%	2%	1%	2%	2%	2%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Sports betting	-6%	-13%	19%	8%	20%	-6%	-43%	-30%	1%	-20%
Casino & games	7%	11%	37%	35%	25%	-11%	-30%	-32%	21%	-15%
Poker	3%	9%	21%	32%	19%	7%	-12%	-23%	16%	-4%
Other products	39%	0%	-25%	33%	10%	-16%	-33%	-46%	10%	-25%
Total	2%	1%	28%	23%	23%	-9%	-36%	-31%	12%	-17%

Sports betting margins

	2023				2022				2023	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
Sports betting stakes (GBP m)	1,164.7	1,003.8	1,029.6	1,211.6	1,364.9	1,105.5	1,051.7	1,096.2	4,409.7	4,618.3
Sports betting Gross winnings revenue:										
Live betting (GBP m)	60.4	53.0	58.1	64.0	63.1	61.3	54.6	55.3	235.5	234.3
Live betting margin (%)	10.9%	10.0%	10.6%	10.2%	9.2%	10.0%	9.5%	9.7%	10.6%	9.6%
Live betting share (%)	46.9%	50.6%	45.9%	47.6%	45.3%	49.7%	48.7%	43.9%	47.6%	46.8%
Pre-game betting (GBP m)	68.4	51.7	68.4	70.4	76.3	62.0	57.6	70.7	258.9	266.6
Pre-game betting margin	11.2%	11.0%	14.1%	12.0%	11.2%	12.6%	12.1%	13.4%	14.1%	12.8%
Pre-game betting share	53.1%	49.4%	54.1%	52.4%	54.7%	50.3%	51.3%	56.1%	52.4%	53.2%
Total before free bets (GBP m)	128.8	104.7	126.5	134.4	139.4	123.3	112.2	126.0	494.4	500.9
Sports betting margin - before free bets (%)	11.1%	10.4%	12.3%	11.1%	10.2%	11.2%	10.7%	11.5%	11.2%	10.8%
Free bets (GBP m)	-13.9	-10.2	-10.0	-14.2	-17.6	-14.4	-14.4	-14.7	-48.3	-61.1
Total after free bets (GBP m)	114.9	94.5	116.5	120.2	121.8	108.9	97.8	111.3	446.1	439.8
Sports betting margin - after free bets (%)	9.9%	9.4%	11.3%	9.9%	8.9%	9.9%	9.3%	10.2%	10.1%	9.5%

Total margin across all product segments

	2023				2022				2023	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
Total margin all product segments - before free bets (%) ¹	5.7%	5.5%	5.8%	5.7%	5.5%	5.6%	5.7%	5.6%	5.8%	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: (Loss)/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): (Loss)/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, 7 February 2024, Kindred Group's 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://ir.financialhearings.com/kindred-group-plc-q4-2023>. 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.

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Forthcoming financial reporting timetable

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

