

“Solid performance sets steady path towards our annual guidance.”
Nils Andén, CEO

KINDRED GROUP PLC

INTERIM REPORT JANUARY - JUNE 2024 (UNAUDITED)

Financial highlights

Second quarter 2024

- Total revenue was GBP 327.6 (307.3) million, an increase of 7 per cent.
- Gross winnings revenue (B2C) increased by 6 per cent to GBP 317.2 (298.3) million.
- Underlying EBITDA increased by 32 per cent to GBP 73.6 (55.7) million.
- Profit before tax was GBP 55.6 (33.1) million.
- Profit after tax was GBP 44.5 (27.7) million.
- Profit after tax includes a loss from discontinued operations of GBP 1.7 (6.9) million and profit from continuing operations of GBP 46.2 (34.6) million.
- Earnings per share were GBP 0.21 (0.13).
- Free cash flow amounted to GBP 41.6 (3.0) million.
- Number of active customers increased by 12 per cent to 1,749,611 (1,561,444).
- As a result of the closure of the Group's locally licensed North American operations, the presentation of the Group's condensed consolidated financial statements has been updated to present continuing and discontinued operations separately (as required by the relevant accounting standards). Refer to the appendix on page 27 for further information. All commentary within this report related to the condensed consolidated income statement refers to the total Group numbers shown on pages 28 to 31 (in line with total Group numbers previously reported).

First half 2024

- Total revenue was GBP 635.3 (613.7) million, an increase of 4 per cent.
- Gross winnings revenue (B2C) increased by 3 per cent to GBP 614.8 (595.6) million.
- Underlying EBITDA increased by 26 per cent to GBP 132.9 (105.1) million.
- Profit before tax was GBP 95.4 (63.5) million.
- Profit after tax was GBP 75.9 (53.3) million.
- Profit after tax includes a loss from discontinued operations of GBP 2.7 (14.9) million and profit from continuing operations of GBP 78.6 (68.2) million.
- Earnings per share were GBP 0.35 (0.25).
- Free cash flow amounted to GBP 65.3 (32.0) million.

Key highlights

- Group Gross winnings revenue saw solid performance with 6 per cent growth year on year, with exceptional growth in locally regulated markets, developing 12 per cent year-on-year (excluding North America).
- Focus on strategic execution is paying off, with underlying EBITDA coming in at GBP 73.6 million for the period, representing a margin of 22 per cent.
- Euro 2024 delivered very strong revenue for a major football tournament, significantly contributing to overall Gross winnings revenue for the period.
- Operational expenses for the second quarter remained consistent with Q1 2024, demonstrating our disciplined approach to cost management.

Key figures

GBP m	Q2		Jan-Jun		Full year 2023
	2024	2023	2024	2023	
Revenue	327.6	307.3	635.3	613.7	1,210.5
EBITDA	73.6	51.4	131.9	98.7	152.6
Underlying EBITDA	73.6	55.7	132.9	105.1	204.5
Profit before tax	55.6	33.1	95.4	63.5	59.5
Profit after tax	44.5	27.7	75.9	53.3	47.2
Earnings per share (GBP)	0.21	0.13	0.35	0.25	0.22
Net cash/(debt) / EBITDA, rolling 12-month basis	0.34	-0.01	0.34	-0.01	0.18
Free cash flow	41.6	3.0	65.3	32.0	103.3
Active customers (No.)	1,749,611	1,561,444			

CEO comment

Solid performance sets steady path towards our annual guidance

Building on our solid start to 2024, I am pleased to present a very positive set of second-quarter results for Kindred. We continue to demonstrate our resilience and strategic execution, which is reflected in our strong performance across our market portfolio. The vast majority of our top markets have grown year-on-year, which is very encouraging. In addition, the quarter saw an underlying EBITDA margin of 22 per cent.

With accelerated growth, we see the strength in our scalable business model

Total revenue for the second quarter was GBP 327.6 million, marking a 7 per cent increase compared to the same period last year (8 per cent in constant currency). Excluding North America, total revenue increased by 9 per cent for the same period. This growth underscores our strategic focus on key markets and our ability to generate sustainable revenue. Underlying EBITDA came in at GBP 73.6 million, reflecting a significant 32 per cent increase year-over-year. This highlights the scalability of our business model and accelerated top-line growth while maintaining a stable cost base.

During the period, we saw a 12 per cent year-on-year increase in active customers. This is good news as we are in the midst of a 'summer of sport', and we are seeing strong activity across our customer base. Customer growth is testament to strategic initiatives aimed at enhancing engagement and expanding our mid-value customer segment, which we are confident will continue to deliver sustainable and resilient results.

Maintaining a strict focus on cost control

Operational expenses for the second quarter remained consistent with Q1 2024, demonstrating our disciplined approach to cost management. We have directed efforts on improving marketing efficiency and focusing investments in markets and channels that are most likely to deliver top-line growth. We also see an underlying trend of marketing cost reduction related to tightening of regulation across all markets. This reduction, alongside improved efficiency, are trends we will likely see continue. We are confident on this not adversely impacting performance, as demonstrated by our strong results, and instead shows our ability to utilise marketing spend in a more effective way.

Encouraging signs across locally regulated markets

Our development in locally regulated markets has been particularly strong, with year-on-year Gross winnings revenue from locally regulated markets growing 10 per cent (12 per cent excluding North America). In France, an increase in active customers has delivered good growth following a period of challenges, which is very encouraging. The Dutch, Danish and Romanian markets have also shown positive momentum, contributing significantly to our overall growth. Regulatory measures implemented in the UK during Q1 have slowed growth throughout the second quarter – a trend we expect to see across the UK sector. However, we are confident that we are performing in line with the market. I'm also very pleased to see a return to growth in Belgium following negative impacts from adverse regulations.

While challenges remain in markets such as Sweden, we are seeing signs of improvement. The team in Sweden continue to work hard to ensure we reclaim market share and strengthen our offering towards our Swedish customer base.

All product segments are showing growth

The second quarter contained strong sportsbook activity throughout, with Euro 2024 boosting customer engagement towards the end of the period. Favourable results, in combination with a record share of Bet Builder activity, delivered a historic high sportsbook margin of 12.1 per cent. This is considerably higher than the long-term average margin of 9.9 per cent and we expect to see some normalisation in the second half of 2024.

The casino segment continues to perform, showing 1 per cent growth when excluding the North American market. The consistently solid performance over the past years demonstrates our strong casino & games offering.

Relax Gaming continues to grow, with total revenue for the quarter increasing by 10 per cent compared to the second quarter of last year. The growth is mainly seen in third party revenue streams with revenues after intercompany eliminations achieving 16 per cent growth in the second quarter of 2024 compared to last year. This is driven predominantly by Relax's own content business due to successful new network and game launches.

Kindred Sportsbook Platform (KSP) remains firmly on track

The KSP project remains firmly on track, with key features and functionality being released ahead of our planned market rollout, starting later this year. Live customers from selected test markets are already using the platform and providing valuable feedback and insight for the Product and Development teams. We are already supporting competitive levels of concurrent in-play events. I am particularly excited about our impending ability to offer multi-market pricing, offering, and concessions. This will enable us to safely extend our appeal to customers.

Continued focus on transparent reporting and sustainable operations

We remain steadfast in our commitment to the Journey towards Zero ambition. During the period, our share of revenue from high-risk customers was 3.0 per cent, showing a slight decrease from the previous quarter. We continue to work hard to bring the number down and several initiatives are being explored that we look forward to reporting on in the coming quarters.

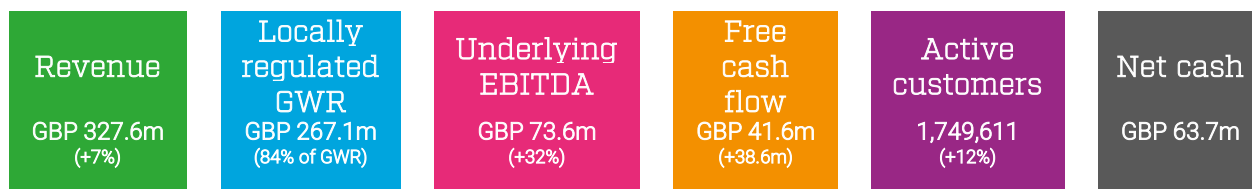
A positive outlook for the second half of 2024

We reaffirm our full year 2024 underlying EBITDA guidance of reaching GBP 250 million. Our very strong second-quarter performance was supported by a packed sport calendar throughout the quarter and by a historically high sports betting margin. While we expect the sports betting margin and activity to normalise after the Euros, our disciplined execution and strategic market focus positions us well for continued success. Our exit from the North American market is now operationally complete, allowing us to fully concentrate on our core markets.

Looking ahead, we are excited about the ongoing summer of sport which includes the Paris Olympics and the restart of major domestic football leagues. We remain dedicated to delivering sustainable growth and creating long-term value.

I would like to take this opportunity to thank our global team for their continued dedication and hard work during this transformational year.

Nils Andén, CEO



Significant events

During the quarter

- In April, Kindred launched its brand Otto Casino in the Swedish market.
- On 26 April, Kindred Group plc's annual general meeting (AGM) was held. The AGM resolved:
 - the re-election of the company's Directors (Evert Carlsson, James H. Gemmel, Heidi Skogster, Cédric Boireau, Jonas Jansson, Andy McCue, Martin Randel and Kenneth Shea);
 - the total fee to be paid to the elected Directors; and
 - that the Nomination Committee would consist of not less than four and not more than five members until the general meeting of the shareholders decides otherwise.
- On 27 May, the Administrative Court of Appeal in Jönköping (Sweden) reduced the sanction fee that Kindred Group received in 2020 for bonus rules violations in 2019. The original sanction fee of SEK 100 million ordered by the Swedish Gambling Authority (SGA) was reduced by the Administrative Court to SEK 50 million in 2021. The Administrative Court of Appeal has now reduced it further to SEK 30 million. Kindred has maintained, and continues to maintain, a full provision for its maximum exposure in relation to this fine. During the second quarter this provision was therefore reduced accordingly, with GBP 1.5 million recognised as a credit to the condensed consolidated income statement within items affecting comparability. As Kindred disagrees with the judgment from the Administrative Court of Appeal, on the merits as well as the Court's calculation of the sanction fee, Kindred has filed an appeal to the Supreme Court in June 2024. It is only once a final judicial decision has been issued that a fine, if any, becomes payable.

After the end of the quarter

- On 22 July, Kindred published its latest report on its share of revenue from high-risk customers, as part of its "Journey towards Zero". For the second quarter of 2024, this was 3.0 per cent.

Trading update

The average daily Gross winnings revenue for the Group, up to and including 21 July 2024, was GBP 3.28 million, 10 per cent (11 per cent in constant currency) higher compared to the daily average for the full third quarter of 2023. Closure of North American operations distorts the comparatives. The growth in Gross winnings revenue for the Group excluding North America is 12 per cent (14 per cent in constant currency) for the same period.

The sports betting margin after free bets for the above period was 10.6 per cent, which is ahead of both the Group long-term average of 9.9 per cent and the 9.4 per cent across the full third quarter of 2023.

Customer activity (B2C)

For the second quarter of 2024, the number of B2C active customers amounted to 1,749,611 (1,561,444), a 12 per cent increase compared to the second quarter of 2023.

Sports betting active customers are increasing 21 per cent on the same period in 2023, supported by the UEFA Championship, and casino active customers are increasing by 6 per cent in the second quarter of 2024 compared to that of 2023.

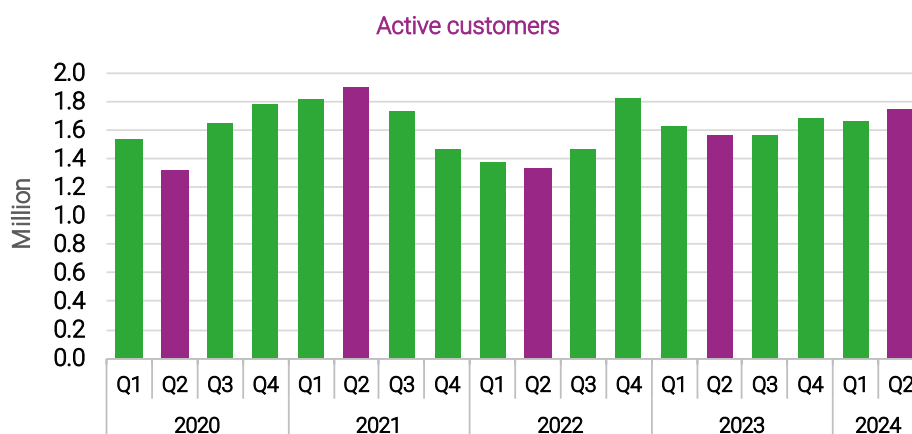
The trend in the number of active customers can be seen in the graph below, with an active customer defined as one placing a bet in the last three months.

1,749,611

Active customers for Q2 2024

+12%

Active customer increase from Q2 2023



Financial review

As a result of the closure of the Group’s locally licensed North American operations, the presentation of the Group’s condensed consolidated financial statements has been updated to present continuing and discontinued operations separately (as required by the relevant accounting standards). Refer to the appendix on page 27 for further information. All commentary within this financial review related to the condensed consolidated income statement refers to the total Group numbers shown on pages 28 to 31 (in line with total Group numbers previously reported).

Revenue

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Gross winnings revenue (B2C)	317.2	298.3	614.8	595.6	1,171.9
Other revenue (B2B)	10.4	9.0	20.5	18.1	38.6
Revenue	327.6	307.3	635.3	613.7	1,210.5

Total revenue for the second quarter of 2024 amounted to GBP 327.6 (307.3) 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 33.

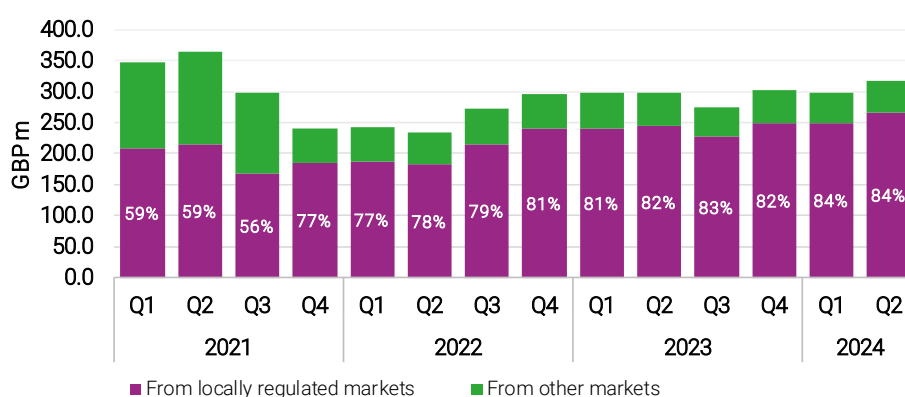
Gross winnings revenue (B2C)

Gross winnings revenue for the second quarter of 2024 amounted to GBP 317.2 (298.3) million, a 6 per cent increase (8 per cent increase in constant currency) from the same period in the prior year. Factors improving performance include continued strong growth in the Dutch market and a return to growth in France and Belgium. The strong performance was led by sports betting, with Gross winnings revenue for casino & games more aligned to prior year.

Gross winnings revenue from locally regulated markets achieved an all-time high of GBP 267.1 million for the second quarter of 2024, which is 84 per cent of Group Gross winnings revenue. This was aided by strong growth within the Netherlands and French markets. Excluding North America, Gross winnings revenue from locally regulated markets is showing growth of 12 per cent in the second quarter of 2024 compared to that of 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 34 and 35.

Total Gross winnings revenue and locally regulated market split



GBP

327.6m

Total revenue for Q2 2024

+7%

Total revenue increase from Q2 2023 (+8% in constant currency)

GBP

317.2m

Gross winnings revenue for Q2 2024

+6%

Gross winnings revenue increase from Q2 2023 (+8% in constant currency)

84%

Gross winnings revenue from locally regulated markets for Q2 2024 (82% in Q2 2023)

Gross winnings revenue by region

Western Europe

Gross winnings revenue amounted to GBP 208.4 (180.1) million for the second quarter of 2024, an increase of 16 per cent from the same period in 2023. The continued strong performance in our Dutch market, alongside return to growth for both France and Belgium, is driving the overall growth of the Western European region.

Gross winnings revenue in the Netherlands saw 17 per cent growth in local currency in the second quarter of 2024 compared to the second quarter of 2023. The growth during the second quarter of 2024 stems from increased total activity of 33 per cent compared to the same period in 2023, where both sports betting and casino are performing well.

France saw Gross winnings revenue in the second quarter of 2024 in local currency increase by 41 per cent compared to the second quarter of 2023. Gross winnings revenue in France benefitted from improved activity throughout the quarter, with total quarterly active customers growth of 26 per cent in the second quarter of 2024 compared to the equivalent period in 2023.

The UK continued to report growth in the second quarter of 2024, with an increase of 4 per cent compared to the second quarter of 2023. Additional affordability measures were implemented at the end of the first quarter of 2024 which has caused a slow-down down in the year-on-year performance when compared to the growth recorded in the first quarter of 2024.

Belgium Gross winnings revenue increased by 12 per cent in local currency in the second quarter of 2024, compared to the equivalent period in 2023. The higher revenue is linked to a 32 per cent increase in sports betting activity compared to the same period in 2023.

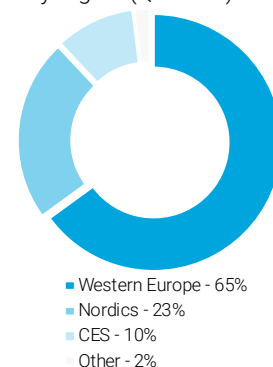
Nordics

Nordic Gross winnings revenue amounted to GBP 71.6 (71.5) million for the second quarter of 2024, aligned to the equivalent period in 2023. The increase in Gross winnings revenue is coming from sports betting which was partially offset by weaker casino performance.

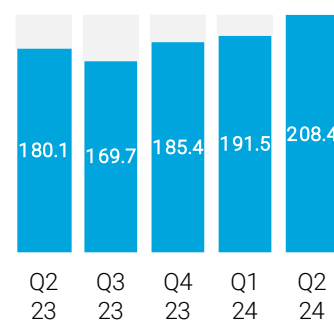
In local currency, Gross winnings revenue in Sweden decreased by 3 per cent compared to the second quarter of 2023. During the first half of 2023, additional safer gambling and affordability measures were implemented across all brands in the market putting pressure on Gross winnings revenue from customers in higher value segments. Sports betting revenues grew by 7 per cent stemming from an increase in active customers. Whilst casino active customers have increased by 15 per cent compared to the equivalent period in 2023, weaker casino player values cause the decrease for Gross winnings revenue from casino & games.

Compared to the same period in 2023, Gross winnings revenue in Denmark increased by 14 per cent in local currency. Casino and sports betting revenues increased by 8 per cent and 22 per cent respectively, compared to the same period in 2023. This came from a 30 per cent increase in casino activity and 39 per cent increase in sports betting activity.

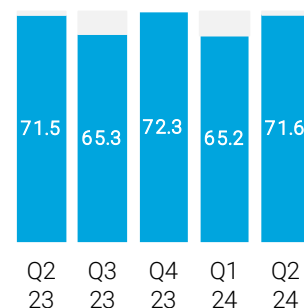
GWR by region (Q2 2024)



Western Europe GWR (GBP m)



Nordics GWR (GBP m)



Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 30.2 (33.1) million in the second quarter of 2024, a decline of 9 per cent compared to the equivalent period in 2023. Sports betting Gross winnings revenues have declined at a faster rate than casino Gross winnings revenue, impacted by a lower sports betting margin.

Romania continues to demonstrate positive development, with 14 per cent Gross winnings revenue growth in local currency compared to the equivalent period in 2023. However, performance amongst the remaining territories within the CES region offset this growth. Italy saw a decline of 51 per cent in Gross winnings revenue in local currency stemming from lower player values across both sports and casino, and Estonia had a decline of 21 per cent in Gross winning revenue in local currency linked to weak casino performance.

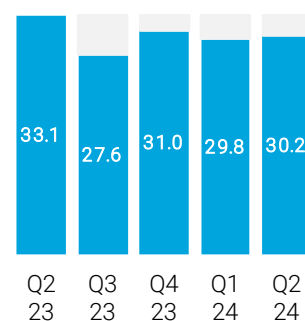
Other regions

Other regions Gross winnings revenue amounted to GBP 7.0 (13.6) million for the second quarter of 2024, decreasing by 49 per cent compared to the second quarter of 2023.

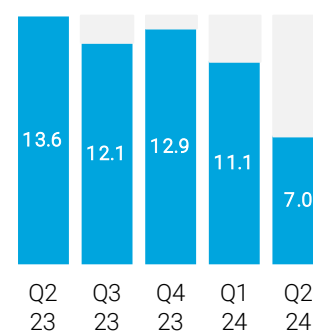
Gross winnings revenue in Australia declined by 9 per cent in local currency in the second quarter of 2024 compared to the second quarter of 2023. Although turnover has seen an increase in the second quarter of 2024 when compared to the previous year, the decline in Gross winnings revenue was driven by weak sports betting margins.

Gross winnings revenue for the North American market amounted to GBP 2.2 (8.4) million in the second quarter of 2024, a decline of 73 per cent in constant currency compared to the second quarter of 2023. The performance in revenue is aligned to internal expectations given the closure of operations. Please note that numbers reported on for North America include revenues in relation to local licenses, as well as activity on the Group’s .com licence (for example, within Canadian provinces not operating under local regulation), and will therefore not align to total discontinued operations as disclosed in this report.

Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)



Gross winnings revenue by product segment

Sports betting

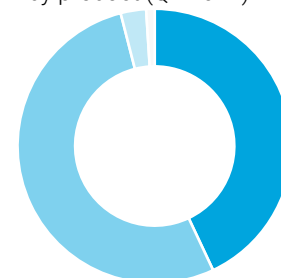
Sports betting Gross winnings revenue saw an increase of 18 per cent in the second quarter of 2024 when compared to the second quarter of 2023.

The second quarter of 2024 sees sports betting turnover increase by 11 per cent compared to the second quarter of 2023. The Euros tournament brought good activity to the sports betting product and meant that football contributed a higher share than normal towards overall turnover. Strong performance across France, Netherlands and Belgium drove the strong sports betting performance overall.

The gross margin for total sports betting in the second quarter of 2024 before free bets was 13.3 (12.3) per cent and after free bets was 12.1 (11.3) per cent compared to the Group’s long-term average of 9.9 per cent. 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 Euros results underpinned the margin in the latter part of the quarter, however the trend was towards an over-indexed margin throughout.

The sports betting margin is also impacted by 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 overall Group sports betting margin. In the second quarter of 2024, the Group’s margin was increased due to strong performance in France. In the second quarter of 2024 alongside the Euros football tournament, football turnover saw a further shift towards high-margin products, for example Bet Builder, and this also contributes to the increased sports betting margin.

GWR by product (Q2 2024)



- Sports betting - 43%
- Casino & games - 53%
- Poker - 3%
- Other products - 1%

12.1%

Sports betting margin after free bets for Q2 2024, higher, than the long-term average of 9.9%

+18%

Sports betting Gross winnings revenue increase from Q2 2023

Kindred’s proprietary racing product saw a 3 per cent decline in the second quarter of 2024, with lower results linked to key racing events in June competing for activity with major football tournaments. Improved risk detection processes have helped Kindred optimise racing trading during the second quarter of 2024 and this is reflected by improved gross margins.

The bars in the graph below show total sports betting gross margin by quarter and full year. Please refer to page 35 for more information on sports betting margins.

Gross margin on sports betting



Casino & games

During the second quarter of 2024, there was a small decline for casino & games Gross winnings revenue of 2 per cent compared to the second quarter of 2023, while active customers continued to see growth at 6 per cent. Excluding the decline linked to closure of North American operations, casino & games Gross winnings revenue is showing growth of 1 per cent. Strong performance for Western markets is offset by weaker performances across Nordics, CES and Other regions.

-2%

Casino & games Gross winnings revenue decrease from Q2 2023

Emphasis continues to be placed on extending and optimising Kindred’s product offering both through releasing exclusive games in collaboration with Kindred’s Relax business and rolling out a free to play tool allowing Kindred to reward players in a new way.

Poker and other products

Gross winnings revenue from poker and other products during the second quarter of 2024 increased by 7 per cent compared to the second quarter of 2023. This is supported by good development in the number of poker active customers driven by growth in France.

+7%

Poker and other products Gross winnings revenue increase from Q2 2023

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.

GBP

10.4m

Other revenue for Q2 2024

The Relax Gaming business continues to grow from strength to strength, showing good revenue growth in the second quarter of 2024 when compared to the same period in the prior year. Other revenue, as reported, amounted to GBP 10.4 (9.0) million for the quarter, an increase of 16 per cent. Total Relax Gaming revenue, before the elimination of Kindred Group revenues, amounts to GBP 13.4 (12.2) million for the quarter, an increase of 10 per cent. The strong revenue growth continues to be driven by broader distribution of Relax Gaming’s own content, successful new game launches including Dream Drop, as well as market expansion.

+16%

Other revenue increase from Q2 2023

Group costs and profitability

Cost of sales

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Betting duties	-91.9	-81.4	-174.6	-161.6	-318.0
Marketing revenue share	-8.4	-9.9	-17.5	-18.7	-37.7
Other cost of sales	-42.2	-43.2	-85.5	-88.6	-175.0
Cost of sales	-142.5	-134.5	-277.6	-268.9	-530.7

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 second quarter of 2024, betting duties have increased, in absolute terms and as a percentage of the Group's Gross winnings revenue, from the same period in the prior year. This is expected due to market mix, with strong year-on-year growth in Gross winnings revenue coming from locally regulated markets.

Marketing revenue share and other cost of sales for the second quarter of 2024, as a percentage of revenue, were both lower than the same period in the prior year. This is supported by a continued drive for efficiencies in these areas, whilst other cost of sales has also been impacted by lower commission costs due to the closure of the Group's North American operations.

Gross profit

Gross profit for the second quarter of 2024 was GBP 185.1 (172.8) million, and for the first half of 2024 was GBP 357.7 (344.8) million, increases of 7 and 4 per cent respectively when compared to the same period in the prior year. Gross profit movements are driven by the movements in revenue and cost of sales, as previously explained.

Despite the additional betting duties from locally regulated markets, the gross profit margin for the quarter remained in line with the same period in the prior year. Cost of sales efficiencies, noted above, have supported this development as well as a slightly increased contribution from Relax Gaming.

Marketing costs

Marketing costs amounted to GBP 52.1 (52.6) million for the quarter, down from GBP 52.7 million in the first quarter of 2024. The slight decrease from the same period in the prior year is driven by significantly reduced investment in North America, as a result of the market closure and focused efforts on achieving marketing efficiencies. This is offset by increased marketing investments in locally regulated markets with significant opportunities of growth (in line with the Group's strategy). The overall trend of lower marketing costs is also impacted by the implementation of marketing restrictions in certain markets, but the Group is confident that this will not adversely affect long-term performance.

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 19 (21) per cent for the quarter, when compared to the second quarter of 2023, primarily due to higher levels of Gross winnings revenue whilst marketing costs decreased slightly for the reasons stated above.

57%

Gross profit margin in Q2 2024 (compared to 56% in Q2 2023 and 56% in Q1 2024)

19%

B2C marketing, as a percentage of Gross winnings revenue for Q2 2024 (compared to 21% in Q2 2023 and 21% in Q1 2024)

Administrative expenses

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Salaries	-37.7	-41.9	-76.7	-86.4	-164.1
Other operating expenses	-21.7	-22.6	-43.3	-45.9	-90.5
Depreciation of property, plant and equipment	-2.1	-2.9	-4.7	-5.9	-11.1
Depreciation of right-of-use assets	-3.1	-3.4	-5.8	-6.9	-13.8
Amortisation of intangible assets	-10.8	-9.5	-21.6	-18.1	-38.7
Total administrative expenses	-75.4	-80.3	-152.1	-163.2	-318.2

The decrease in salaries in the second quarter of 2024 when compared to the same period in the prior year, and the first quarter of 2024, is driven by the organisational changes and cost optimisation actions announced by the Group in 2023, including the closure of its North American operations. Headcount reductions made as a result are continuing to have a positive impact on the Group's salary costs during the quarter.

Other operating expenses have also decreased from the same period in 2023. As above, the Group is starting to see an impact from its cost optimisation actions taken, especially in the form of lower consultancy fees and other operational costs directly related to its headcount reductions.

The increase in amortisation of intangible assets for the second quarter when compared to the same period in 2023, is primarily the result of additional amortisation charges from increased capitalisation of development work in recent quarters, primarily in relation to the development of the Group's proprietary sportsbook platform, KSP. Included within total amortisation is amortisation of intangible assets that arose on acquisitions amounting to GBP 2.5 (2.5) million for the second quarter of 2024 and GBP 5.0 (5.1) million for the first half of 2024.

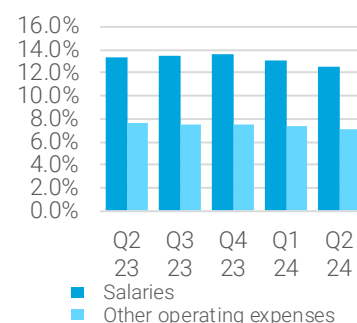
Underlying EBITDA

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Gross profit	185.1	172.8	357.7	344.8	679.8
Marketing costs	-52.1	-52.6	-104.8	-107.4	-220.7
Salaries	-37.7	-41.9	-76.7	-86.4	-164.1
Other operating expenses	-21.7	-22.6	-43.3	-45.9	-90.5
Underlying EBITDA	73.6	55.7	132.9	105.1	204.5

Underlying EBITDA for the quarter, as defined above, increased by 32 per cent from the same quarter in the prior year whilst the underlying EBITDA margin increased by 4 percentage points. When comparing to the first quarter of 2024, underlying EBITDA increased by 24 per cent and the underlying EBITDA margin increased by 3 percentage points. The substantial increase from both of the above periods is driven by both the strong increase in revenues and the significant focus on cost optimisation across both marketing and administrative expenses, as well as the reduced negative contribution from the North American market following its announced closure.

Underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the North American market of GBP 1.2 (5.1) million. The decline from the same period in the prior year is due to the significant reduction in both marketing and operational expenditure in the market, following the announcement in November 2023 that the Group's North American operations would be closed in the first half of 2024. Excluding the impact of North America, the underlying EBITDA margin for the quarter was 23 (20) per cent, 3 percentage points higher than the same quarter in the prior year and the first quarter of 2024 demonstrating the strong growth in the Group's underlying business.

Expenses as a % of revenue (LTM)



GBP

73.6m

Underlying EBITDA for Q2 2024

22%

Underlying EBITDA margin in Q2 2024 (compared to 18% in Q2 2023 and 19% in Q1 2024)

23%

Underlying EBITDA margin, excluding North America, in Q2 2024 (compared to 20% in Q2 2023 and 20% in Q1 2024)

Underlying EBITDA for the quarter also includes the impact of Relax Gaming on the Group's consolidated underlying EBITDA of GBP 4.5 (5.0) million, a 10 per cent decrease from the same period of the prior year. This decrease is primarily a result of increased operating expenses as Relax Gaming strengthen their team, as planned, in preparation for future growth. Despite the decrease in absolute terms, the underlying EBITDA margin for Relax Gaming remains high at 41 per cent and we remain confident on its ability to continue to deliver scalable growth.

Items affecting comparability

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Personnel restructuring costs	-0.4	-2.4	-0.9	-3.9	-9.6
Regulatory sanctions	1.5	-	1.5	-	-0.2
Market closure and contract termination costs	0.2	-1.2	0.9	-2.6	-33.8
Strategic review costs	-0.6	-1.9	-3.5	-1.9	-4.9
Other (losses)/gains	-0.7	1.2	1.0	2.0	-3.4
Impairment losses	-0.1	-	-0.5	-	-20.8
Items affecting comparability	-0.1	-4.3	-1.5	-6.4	-72.7

Items affecting comparability amounted to a negative contribution of GBP 0.1 (4.3) million for the quarter.

Personnel restructuring costs amounted to GBP 0.4 (2.4) million and 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, as previously announced.

Regulatory sanctions, being a positive contribution of GBP 1.5 (nil) million, relate to the decision by Administrative Court of Appeal in Jönköping (Sweden) to reduce the sanction fee that Kindred Group had previously received from the SGA. The fine was reduced from SEK 50 million to SEK 30 million and the provision held by the Group was reduced accordingly during the quarter. See page 4 for further information.

Market closure and contract termination costs amounted to a positive contribution of GBP 0.2 (negative contribution of 1.2) million and relate to contract termination costs for the North American market and customer claims. Certain contract negotiations have been finalised during the quarter and have resulted in less costs than previously expected, thus generating a positive contribution during the quarter. Certain contract negotiations remain ongoing and could therefore still 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.

Strategic review costs amounted to GBP 0.6 (1.9) 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 second quarter of 2024 comprise:

- Fair value losses of GBP 1.6 (4.5) million primarily in relation to forward contracts.
- Foreign currency gains of GBP 0.9 (5.7) million. Foreign exchange gains for the quarter were primarily impacted by the strengthening of the British Pound against the Group's main currencies. 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. Foreign currency movements are partly offset by corresponding forward contract movements, noted above.

EBITDA and profit from operations

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Underlying EBITDA	73.6	55.7	132.9	105.1	204.5
Personnel restructuring costs	-0.4	-2.4	-0.9	-3.9	-9.6
Regulatory sanctions	1.5	-	1.5	-	-0.2
Market closure and contract termination costs	0.2	-1.2	0.9	-2.6	-33.8
Strategic review costs	-0.6	-1.9	-3.5	-1.9	-4.9
Other (losses)/gains	-0.7	1.2	1.0	2.0	-3.4
EBITDA	73.6	51.4	131.9	98.7	152.6
Depreciation of property, plant and equipment	-2.1	-2.9	-4.7	-5.9	-11.1
Depreciation of right-of-use assets	-3.1	-3.4	-5.8	-6.9	-13.8
Amortisation of intangible assets	-10.8	-9.5	-21.6	-18.1	-38.7
Impairment losses	-0.1	-	-0.5	-	-20.8
Profit from operations	57.5	35.6	99.3	67.8	68.2

EBITDA for the second quarter of 2024 was GBP 73.6 (51.4) million and profit from operations for the second quarter of 2024 was GBP 57.5 (35.6) million. On top of the reasons provided previously for underlying EBITDA, the variances in these metrics from the prior year were 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 second quarter of 2024 were GBP 1.9 (2.5) million and for the first half of 2024 were GBP 3.9 (4.3) million. This primarily comprises interest and fees on borrowings which amounted to GBP 2.3 (2.8) million for the second quarter and GBP 4.7 (4.7) million for the first half of 2024.

Profit before tax

Profit before tax for the second quarter of 2024 was GBP 55.6 (33.1) million and for the first half of 2024 was GBP 95.4 (63.5) million.

Profit after tax

Profit after tax for the second quarter of 2024 was GBP 44.5 (27.7) million and for the first half of 2024 was GBP 75.9 (53.3) million.

For the first half of the year, the Group has continued applying the estimated effective tax rate (ETR) for the full year in accordance with the principles of IAS 34 'Interim Financial Reporting'. The estimated ETR includes the potential tax exposure deriving from the introduction of the Global Minimum Tax rules in 2024 and the negative impact of the North American trading losses which inflate the ETR, as no deferred tax assets have been recognised. Excluding the impact of North America, the estimated underlying ETR for the Group is approximately 19 to 20 per cent. It should be noted that further developments with regards to the application of the Global Minimum Tax rules across those countries where the Group currently operates may be subject to changes. As a result, quantitative information supporting the potential exposure of the Group to Global Minimum Tax can only be indicative at this stage.

GBP

44.5m

Profit after tax for Q2 2024

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 'Gains on net investment hedge'. This amounted to a gain of GBP 1.4 (6.0) million for the second quarter. At 30 June 2024, a gain of GBP 12.6 (12.1) 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 second quarter of 2024 stood at GBP 252.5 (223.4) million while at the beginning of the quarter it was GBP 232.6 (230.1) million. Please refer to the cash flow section for more detail on the movement during the period and to page 32 for a reconciliation of the unrestricted cash balance.

At 30 June 2024, GBP 122.7 (157.4) million of the Group's facilities was utilised out of a total of GBP 217.2 (220.3) 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 122.2 (156.5) 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 63.7 (net debt position of GBP 3.0) million at 30 June 2024. Net cash/ EBITDA (rolling 12-month basis) for the quarter was 0.34 (-0.01).

GBP

63.7m

Net cash at 30 June 2024

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 second quarter of 2024, intangible assets of GBP 11.9 (11.0) million have been capitalised. The variance from the same period 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 second quarter of 2024 were GBP 11.3 (10.9) million, bringing the total capitalised for the first half of 2024 to GBP 23.7 (22.1) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Cash flow

Net cash generated from operating activities amounted to GBP 58.4 (17.0) million for the second quarter of 2024, and GBP 96.2 (57.4) million for the first half of 2024. The significant increase from the same periods in 2023 is a result of the increase in underlying EBITDA and the significant positive impact from net working capital movements. Working capital movements are generally impacted by fluctuations in timing of tax and supplier payments. In the second quarter and first half of 2024, significantly increased activity as a result of the Euros tournament has had a significant impact on working capital when compared to the same periods in the previous year. This includes, for example, increase in accrued betting duties and product commissions as well as increase in customer balances and deferred income. These positive movements across both the quarter and first half of the year are partially offset by the settlement of provisions made in relation to the North American closure.

Cash flows used in investing activities were GBP 37.0 (10.2) million for the second quarter of the current year and GBP 49.4 (22.6) million for the first half of 2024. The significant increase is primarily attributable to the GBP 24.3 million acquisition of minority interest shares in Relax Gaming, following the exercise of put/call options in October 2023. Following completion of the transaction, Kindred's ownership of Relax Gaming is now over 99 per cent.

Cash flows used in financing activities for the second quarter and first half of 2024 were both lower than the same periods in the prior year, primarily impacted by net movements in borrowings. For the second quarter, net proceeds from borrowings were GBP 7.0 (50.1) million. For the first half of the year, there were net repayments of borrowing of GBP 16.0 (net proceeds of GBP 28.1) million. The second quarter and first half of 2023 were also significantly impacted by treasury share purchases of GBP 14.1 million and GBP 34.2 million respectively, as well as the first instalment of the 2022 dividend of GBP 37.2 million.

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Net cash generated from operating activities	58.4	17.0	96.2	57.4	164.0
Purchases of property, plant and equipment	-1.4	-4.0	-2.0	-5.7	-9.6
Development and acquisition costs of intangible assets	-11.9	-11.0	-24.4	-22.2	-45.9
Interest paid on lease liabilities	-0.2	-0.3	-0.5	-0.6	-1.2
Repayment of lease liabilities	-4.5	-3.1	-8.6	-7.3	-13.1
Adjust for: customer balance movement	1.2	4.4	4.6	10.4	9.1
Free cash flow	41.6	3.0	65.3	32.0	103.3

Free cash flow for the quarter, as defined in the table above, dramatically increased to GBP 41.6 million from the second quarter of 2023. This is predominantly the result of movements in net cash generated from operating activities and capital investments, as explained above.

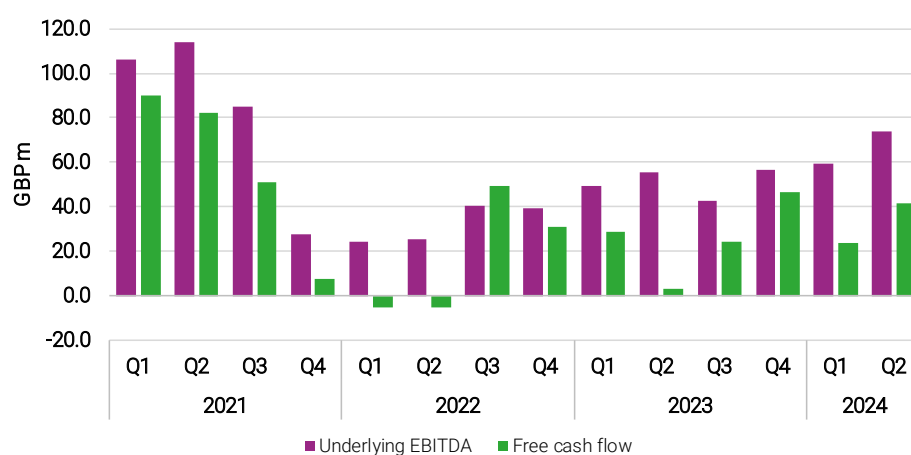
Quarterly underlying EBITDA and free cash flow are shown in the graph on the following page, with cash conversion for the second quarter of 2024 standing at 57 (5) per cent. The increase is due to the significant increase in net cash inflows from operating activities detailed above.

GBP

41.6m

Free cash flow for Q2 2024

Underlying EBITDA and free cash flow



Operational review

Market overview

Denmark

The second quarter saw the publication of the Danish Gambling Association's (DGA) annual report "The Gambling Market in Numbers 2023," showing a 1.7 per cent decrease in gambling spend compared to 2022. Kindred attended the bi-annual network committee meeting, where key topics included a black-market presentation by the DGA and initiatives to combat problem gambling among young adults. Kindred also attended the Danish Political Week, hosting debates on young adults, mental health, and gambling.

Regulatory events included the Spillebranchen (previously Danish Online Gambling Association (DOGA)) AGM on 30 May, discussing political proposals and advertisement restrictions. The Bill to adopt the Gaming Act was passed, enhancing efforts against match-fixing and supporting the DGA's role in data processing. From 1 January 2025, only B2B suppliers with a license from the DGA can supply games to B2C operators in Denmark.

Finland

In Finland, the trade body organised a conference in Helsinki on 15 May to discuss the ongoing law process, facilitating a debate between various stakeholders, including Kindred. The Finnish political week, held from 24 to 27 June, saw Kindred participate in discussions about future regulation. A proposal for a new gambling bill was sent out for public consultation on 3 July, with submissions due by 18 August. The licensing system is expected to be implemented with full market effect from 1 January 2027.

France

During the second quarter, Kindred became an official partner of the new MMA League, Hexagone Mixed Martial Arts, continuing to strengthen our position in this key area. New versions of Unibet's app and desktop platforms were launched, improving user experience. New sportsbook features were released and the Cashout feature was optimised.

Regulatory events included a consultation on mandatory health warnings and the dissolution of parliament, leading to new legislative elections and potential changes in gambling policy.

Netherlands

From 1 October 2024, new policy measures to better protect consumers will come into force. The measures include changes to the current limits framework in the Netherlands:

- The regulator has initiated a flexible monthly net deposit threshold of EUR 300 for young adults and EUR 700 for adults. This threshold can be raised if someone's monthly net income is known and the recreational part of their income allows for it.
- The Ministry has initiated a flexible monthly gross deposit limit of EUR 150 for young adults and EUR 350 for adults. New customers have to set these limits as part of the registration process. The limits can be raised after a personal contact moment via chat or phone between customer and operator.

In addition, the measures from the regulator and the government also include stricter near to real-time monitoring requirements, a neutral choice architecture when players set their limits and more informational messages to players about their limits during play. The aim of these measures is to increase awareness amongst players about the importance of limits and curb excessive losses.

Norway

During the second quarter, the Norwegian Trade Association held its annual conference on 29 May, focusing on "The Future Funding of Norwegian Sports." This event aimed to push the debate related to stronger support for licensing after the general election in September 2025. Additionally, the EFTA court delivered a preliminary ruling in the Norsk Rikstoto/Licensing case without providing any clarity on the understanding of the EU directive on concession contracts.

Romania

The second quarter highlights in Romania included the second phase of the new Vlad Campaign, leveraging global casino tournaments during the Euros, and a new media agency partnership. Regulatory events included the shelving of a bill proposal to ban gambling advertising and a focus on the land-based industry, with a ban on slot machines in towns with populations under 15,000.

Sweden

During the quarter, Otto Casino was launched on 22 April, and Unibet entered into a partnership with Sweden's largest podcast, "When We Were Kings (WWK)." Improvements were made to Maria Casino and Bingo.com that will enhance speed and customer experience.

Industry developments included the launch of five new competitive brands during the second quarter, the highest influx since before Covid-19. Regulatory events saw the government decide on 2 May to increase the gambling tax from 18 per cent to 22 per cent, effective from 1 July 2024. New measures against match-fixing were introduced, and at the end of May, the Court of Appeal issued rulings reducing Kindred's penalty fees from 2021 to SEK 30 million based on the Supreme Administrative Court's guiding ruling.

UK

The UK market saw a strong Euro 2024 campaign, the launch of a new 32Red iOS app, and the integration of the casino product into the Unibet sportsbook app. The exclusive launch of 'Immortal Romance II' was a significant success.

The UK also has a new Government following a General Election – with the Labour Party winning a large majority. A new Department of Culture, Media and Sport Secretary has been appointed, with further insight into Labour's approach to gambling regulation expected in the coming months.

The Industry Code on Social Responsibility Checks was also finalised and announced during the second quarter - bringing clarity and consistency across the sector to the issue of

affordability checks. Kindred continues to work with the UK Gambling Commission and the Betting and Gaming Council to ensure the Code is implemented effectively.

Product segment overview

Kindred Sportsbook Platform (KSP)

The KSP project is progressing well, achieving several key milestones during the quarter. The production launch is now live in five selected markets. Quant pre-match football prices have been published for monitored test matches, including a Euro 2024 fixture. Algorithmic propensity models are now automatically making profile changes in KSP Racing.

Sportsbook Operations

A new 'Soccer Algo' was rolled out, delivering better odds accuracy and more market options. Special event features and a revamped Bet Builder showed positive results. In June, new features for the Euros and Copa America were launched. Operational improvements reduced configuration issues and suspension rates, with plans for further enhancements. The growth team executed the Euros plan, signed streaming deals, and improved the boost strategy to focus on recreational and profitable markets.

Live casino

During the second quarter, the live casino product from OnAir was released across the Netherlands and Belgium markets. Additionally, the exclusive 'Unibet Speed Roulette', provided by Pragmatic Play, was launched with a new modern interior. OttoCasino.se also launched with three live casino providers, offering a full portfolio of eligible games to customers.

Customers enjoyed exclusive live casino products that strongly supported Euro 2024, with themed video content across studios and a Netherlands-dedicated team wearing branded sports uniforms.

Kindred expects to continue leveraging themed video content and branded experiences to enhance user engagement and drive performance in upcoming months.

Casino

In the second quarter, an agreement was reached with a key supplier for a new RNG contract. Integration work began with Blueprint, one of the UK's largest slot content providers. This direct integration will allow Kindred to offer Evolution's popular new jackpot games in the UK market.

Poker

A new version of Kindred's lottery jackpot product, HexaPro Highroller, was released for our highest stakes games. This version features a higher lowest multiplier, increased from 1.5X to 2X, and overall lower variance with a more competitive rake structure. Kindred also launched a strong collection of five Euro-themed promotions running in June and July across all poker game verticals.

Bingo

The second quarter saw several significant product developments in bingo. The mobile iframe integration now allows players to make quick deposits, join tournaments, and streamlines compliance work. The new Rewards History Page consolidates all reward transactions for easier player access, reducing customer queries. The bingo-specific reward "voucher" was reintroduced to the loyalty wheel and enhanced the Schedule/Pre-buy feature for easier ticket purchasing.

Sustainability overview

For the second quarter of 2024, Kindred's share of Gross winnings revenue from high-risk players was 3.0 per cent, slightly lower than the first quarter of 2024 (3.2 per cent) and the second quarter of 2023 (3.1 per cent). Although, the Journey towards Zero data fluctuates from quarter to quarter, the trend demonstrates a stabilised decrease since 2020. The share of customers who adopted more sustainable gambling behaviours following interventions was 86.8 per cent, slightly higher sequentially but showing a sustained level over the past quarters.

Reporting on the proportion of Gross winnings revenue derived from harmful gambling leads to increased transparency and fact-based discussions, and gladly, more industry peers are now committing to openly report on these progresses as well. Kindred launched its public KPI in 2021 and promoting safer gambling remains as one of the company's top priorities.

During the second quarter, the CSRD remediation project has continued to progress as the establishment of a controls framework in alignment with Kindred's relevant topic standards has been further developed and process owners have been engaged. The work in preparing the organisation to be CSRD compliant by the end of year continues during the third quarter.

Market updates

In June, Kindred attended annual political summits in Sweden (Almedalsveckan), Denmark (Folkemødet) and Finland (Suomi Areena). Safer gambling, transparency and mental health were some of the key topics discussed.

Within the sponsorship with the Swedish Elite Football (SEF), Kindred has once again held the digital educations in Responsible Gambling and anti-match fixing for all players and coaches, with 100 per cent completion rate. Moreover, Kindred's cooperation with Spelfriheten (Swedish organisation offering treatment for gambling addiction and affected others) continues and visits to all SEF clubs, including the two new clubs that joined the SEF family earlier this year, are to be finalised. Kindred is also broadening the cooperation with Spelfriheten to produce digital versions of the club visits, in both English and Swedish, to facilitate more teams and coaches to take part in the important work Kindred and Spelfriheten have done together.

The Unibet Impact programme brings together all Kindred community activities in the Dutch market. In June, Unibet in collaboration with 3x3 Unites launched an awareness campaign on the risks of gambling. Based on scientific insights, the "A smart player knows his limits" campaign aims to increase awareness and provide education on responsible online gambling, especially among young adults. During the four events of the 3x3 Pro League that took place in June and July, a broad communication campaign also highlighted three important indicators for recognising problematic gambling behaviour: money, time, and behaviour. Thereto, 3x3 Unites and Unibet urge everyone to be alert to the signs of problematic gambling behaviour in themselves and their loved ones and seek help in time.

In conjunction with Rangers F.C. and EPIC Global Solutions, Rangers became the first club in Scotland to undertake pioneering gambling education sessions. The bespoke programme was designed especially for top-level sportspeople, with the aim of facilitating a healthy relationship with the sector – a key component of Kindred's commitment to a new sponsorship model which benefits clubs and communities in a tangible way.

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 2023.

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 2,323 (2,446) employees at 30 June 2024, compared with 2,352 employees at 31 March 2024. The decrease from the same quarter of the prior year and the previous quarter is a result of the continued organisational changes and cost optimisation actions taken by the Group, as explained in the administrative expenses section on page 11. The number of consultants amounted to 148 (213) at 30 June 2024.

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 2023, 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.

Malta, 24 July 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	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Revenue	325.7	299.2	628.0	597.9	1,181.2
Betting duties	-90.8	-78.2	-171.4	-155.3	-306.3
Marketing revenue share	-8.4	-9.3	-17.4	-17.5	-35.2
Other cost of sales	-41.1	-40.0	-81.9	-81.9	-162.4
Cost of sales	-140.3	-127.5	-270.7	-254.7	-503.9
Gross profit	185.4	171.7	357.3	343.2	677.3
Marketing costs	-52.0	-49.1	-104.4	-100.8	-204.7
Salaries	-37.1	-39.3	-74.6	-80.8	-153.1
Other operating expenses	-21.2	-21.3	-42.0	-43.2	-86.4
Depreciation of property, plant and equipment	-2.0	-2.8	-4.5	-5.7	-10.7
Depreciation of right-of-use assets	-3.1	-3.3	-5.8	-6.7	-13.4
Amortisation of intangible assets	-10.6	-9.1	-21.0	-17.3	-37.2
Total administrative expenses	-74.0	-75.8	-147.9	-153.7	-300.8
Underlying profit before items affecting	59.4	46.8	105.0	88.7	171.8
Personnel restructuring costs	-0.4	-2.3	-0.9	-3.8	-7.4
Regulatory sanctions	1.5	-	1.5	-	-0.2
Market closure and contract termination costs	0.1	-1.2	-0.6	-2.1	-8.4
Strategic review costs	-0.6	-1.9	-3.5	-1.9	-4.9
Other (losses)/gains	-0.7	1.1	1.0	1.7	-3.7
Impairment losses	-0.1	-	-0.5	-	-
Profit from operations	59.2	42.5	102.0	82.6	147.2
Finance costs	-2.5	-3.0	-5.2	-5.3	-11.3
Finance income	0.6	0.5	1.3	1.0	2.6
Profit before tax	57.3	40.0	98.1	78.3	138.5
Income tax expense	-11.1	-5.4	-19.5	-10.1	-12.2
Profit for the period from continuing operations	46.2	34.6	78.6	68.2	126.3
Loss for the period from discontinued operations	-1.7	-6.9	-2.7	-14.9	-79.1
Profit for the period	44.5	27.7	75.9	53.3	47.2
Profit is attributable to:					
Owners of Kindred Group plc	44.5	27.7	75.9	53.2	46.5
Non-controlling interests	-	-	-	0.1	0.7
Total profit	44.5	27.7	75.9	53.3	47.2
Earnings per share:					
From continuing operations, GBP	0.22	0.16	0.36	0.32	0.59
From discontinued operations, GBP	-0.01	-0.03	-0.01	-0.07	-0.37
Total earnings per share, GBP	0.21	0.13	0.35	0.25	0.22
Diluted earnings per share:					
From continuing operations, GBP	0.22	0.16	0.36	0.31	0.57
From discontinued operations, GBP	-0.01	-0.03	-0.01	-0.07	-0.36
Total diluted earnings per share, GBP	0.21	0.13	0.35	0.24	0.21

Condensed consolidated statement of comprehensive income

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Profit after tax	44.5	27.7	75.9	53.3	47.2
Other comprehensive income					
Currency translation adjustments taken to equity - continuing operations	-3.6	-17.5	-14.3	-24.0	-11.4
Currency translation adjustments taken to equity - discontinued operations	0.1	-2.0	-	-1.9	-1.9
Gains on net investment hedge	1.4	6.0	3.8	7.3	4.0
Total comprehensive income for the period	42.4	14.2	65.4	34.7	37.9
Total comprehensive income for the period is attributable to:					
Owners of Kindred Group plc	42.4	14.2	65.4	34.6	37.2
Non-controlling interests	-	-	-	0.1	0.7
Total comprehensive income for the period	42.4	14.2	65.4	34.7	37.9
Total comprehensive income for the period attributable to owners of Kindred Group plc arises from:					
Continuing operations	44.0	23.1	68.1	51.4	118.2
Discontinued operations	-1.6	-8.9	-2.7	-16.8	-81.0
	42.4	14.2	65.4	34.6	37.2

Condensed consolidated balance sheet

GBP m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
Non-current assets			
Property, plant and equipment	11.7	17.5	15.0
Right-of-use assets	30.1	44.9	36.9
Goodwill	426.0	428.1	433.4
Other intangible assets	255.4	268.8	256.2
Deferred tax assets	67.0	42.0	55.7
Other non-current assets	3.6	3.9	3.8
	793.8	805.2	801.0
Current assets			
Taxation recoverable	43.4	38.0	58.7
Trade and other receivables	64.1	73.9	64.4
Cash and cash equivalents	252.5	223.4	240.3
	360.0	335.3	363.4
Total assets	1,153.8	1,140.5	1,164.4
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	5.8	7.0	16.3
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	529.9	510.7	446.8
Total equity attributable to the owners	574.4	556.4	501.8
Non-controlling interest	0.1	5.9	5.8
Total equity	574.5	562.3	507.6
Non-current liabilities			
Borrowings	122.2	156.5	141.8
Lease liabilities	17.0	31.8	25.9
Deferred tax liabilities	27.6	22.5	27.5
Provisions	1.8	1.8	1.9
	168.6	212.6	197.1
Current liabilities			
Trade and other payables	222.0	197.1	217.8
Customer balances	66.6	69.9	71.1
Deferred income	6.0	3.7	5.3
Tax liabilities	78.2	63.8	90.5
Lease liabilities	15.1	14.2	15.3
Other financial liabilities at fair value through profit and loss	1.8	3.0	25.7
Provisions	21.0	13.9	34.0
	410.7	365.6	459.7
Total liabilities	579.3	578.2	656.8
Total equity and liabilities	1,153.8	1,140.5	1,164.4

Condensed consolidated statement of changes in equity

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Opening balance of total equity at beginning of period	531.2	597.3	507.6	595.0	595.0
Comprehensive income					
Profit for the period	44.5	27.7	75.9	53.3	47.2
Other comprehensive income:					
Currency translation adjustments taken to equity - continuing operations	-3.6	-17.5	-14.3	-24.0	-11.4
Currency translation adjustments taken to equity - discontinued operations	0.1	-2.0	-	-1.9	-1.9
Gains on net investment hedge	1.4	6.0	3.8	7.3	4.0
Total comprehensive income	42.4	14.2	65.4	34.7	37.9
Transactions with owners					
Employee share schemes - value of employee services	1.0	-10.5	-3.6	-8.6	-4.0
Acquisition of non-controlling interest shares	-0.1	-	-0.1	-	-24.7
Treasury share purchases	-	-14.1	-	-34.2	-34.2
Disposal / utilisation of treasury shares	-	12.7	5.2	12.7	12.7
Dividend paid to shareholders	-	-37.3	-	-37.3	-74.4
Dividend paid to non-controlling interests	-	-	-	-	-0.7
Total transactions with owners	0.9	-49.2	1.5	-67.4	-125.3
Closing balance of total equity at end of period	574.5	562.3	574.5	562.3	507.6
Equity is attributable to:					
Owners of Kindred Group plc	574.4	556.4	574.4	556.4	501.8
Non-controlling interests	0.1	5.9	0.1	5.9	5.8
Total equity	574.5	562.3	574.5	562.3	507.6

Condensed consolidated cash flow statement

GBP m	Q2		Jan-Jun		Full year 2023
	2024	2023	2024	2023	
Operating activities					
Profit from operations	57.5	35.6	99.3	67.8	68.2
Adjustments for:					
Depreciation of property, plant and equipment	2.1	2.9	4.7	5.9	11.1
Depreciation of right-of-use assets	3.1	3.4	5.8	6.9	13.8
Amortisation of intangible assets	10.8	9.5	21.6	18.1	38.7
Impairment losses	0.1	-	0.5	-	20.8
Loss on disposal of intangible assets	0.2	-	0.2	-	1.1
Loss on disposal of property, plant & equipment	-	-	-	0.1	0.1
Other losses	1.2	2.5	0.1	3.8	1.8
Share-based payments	1.1	2.3	1.7	4.2	8.7
Operating cash flows before movements in working capital	76.1	56.2	133.9	106.8	164.3
Decrease/(increase) in trade and other receivables	4.2	-2.6	1.2	-7.9	1.7
Increase/(decrease) in trade and other payables, including customer balances and provisions	4.4	-17.7	-10.6	-16.8	25.4
Cash flows from operating activities	84.7	35.9	124.5	82.1	191.4
Net income taxes paid	-26.3	-18.9	-28.3	-24.7	-27.4
Net cash generated from operating activities	58.4	17.0	96.2	57.4	164.0
Investing activities					
Acquisition of subsidiaries, net of cash acquired	-	-0.4	-	-0.4	-0.4
Acquisition of non-controlling interest shares	-24.3	-	-24.3	-	-
Settlement of contingent consideration	-	-1.9	-	-1.9	-1.9
Interest received	0.6	0.6	1.3	1.1	2.5
Settlement of convertible bond	-	6.5	-	6.5	6.5
Purchases of property, plant and equipment	-1.4	-4.0	-2.0	-5.7	-9.6
Development and acquisition costs of intangible assets	-11.9	-11.0	-24.4	-22.2	-45.9
Net cash used in investing activities	-37.0	-10.2	-49.4	-22.6	-48.8
Financing activities					
Interest paid	-2.3	-3.5	-4.6	-4.5	-9.8
Interest paid on lease liabilities	-0.2	-0.3	-0.5	-0.6	-1.2
Repayment of lease liabilities	-4.5	-3.1	-8.6	-7.3	-13.1
Dividend paid to shareholders	-	-37.2	-	-37.2	-74.0
Dividend paid to non-controlling interests	-	-	-	-	-0.7
Treasury share purchases	-	-14.1	-	-34.2	-34.2
Proceeds from borrowings	23.9	89.6	23.9	89.6	95.6
Repayment of borrowings	-16.9	-39.5	-39.9	-61.5	-85.6
Net cash used in financing activities	-	-8.1	-29.7	-55.7	-123.0
Net increase/(decrease) in cash and cash equivalents	21.4	-1.3	17.1	-20.9	-7.8
Cash and cash equivalents at beginning of period	232.6	230.1	240.3	254.9	254.9
Effect of foreign exchange rate changes	-1.5	-5.4	-4.9	-10.6	-6.8
Cash and cash equivalents at end of period	252.5	223.4	252.5	223.4	240.3

Appendix

Discontinued operations

As a result of the closure of the Group's locally licensed North American operations during the second quarter of 2024 (with different states and provinces closing on different dates throughout this period), the presentation of the Group's condensed consolidated financial statements has been updated to comply with relevant International Financial Reporting Standards. These locally licensed North American operations which have been closed are now reported as discontinued operations.

In the condensed consolidated income statement, discontinued operations are now reported separately, with the net profit or loss after tax reported as a separate line item. In the condensed consolidated statement of comprehensive income and statement of changes in equity, currency translation adjustments are now split between continuing and discontinued operations. There has been no impact on the consolidated balance sheet or consolidated cash flow statement. All corresponding comparative numbers in these financial statements have also been updated.

Discontinued operations include all the Group's North American activity in relation to its local licences held. However, they exclude North American activity on the Group's .com licence, such as within Canadian provinces which do not operate under local regulation. As a result, the numbers presented within discontinued operations will not fully align with numbers reported on by the Group for North America, which includes all the above operations.

To aid comparability of the Group numbers for users of this report, a reconciliation of the condensed consolidated income statement on page 22 (which presents only continuing operations by line item) to total Group numbers (as previously presented) is shown on the following pages. A similar reconciliation is also provided on the following pages for the condensed consolidated statement of comprehensive income on page 23.

All commentary throughout this report refers to the total Group numbers shown in this appendix (consisting of both the Group's continuing operations and discontinued operations).

Net cash flows from the Group's discontinued operations (including a split between operating, investing and financing activities) are shown below:

GBP m	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Net cash used in operating activities	-6.4	-6.6	-16.8	-19.1	-39.1
Net cash used in investing activities	-	-0.8	-	-0.9	-1.1
Net cash used in financing activities	-0.9	-0.1	-1.3	-0.1	-0.4
Net decrease in cash and cash equivalents	-7.3	-7.5	-18.1	-20.1	-40.5

Condensed consolidated income statement

GBP m	Q2					
	Discontinued operations	2024 Continuing operations	Total	Discontinued operations	2023 Continuing operations	Total
Revenue	1.9	325.7	327.6	8.1	299.2	307.3
Betting duties	-1.1	-90.8	-91.9	-3.2	-78.2	-81.4
Marketing revenue share	-	-8.4	-8.4	-0.6	-9.3	-9.9
Other cost of sales	-1.1	-41.1	-42.2	-3.2	-40.0	-43.2
Cost of sales	-2.2	-140.3	-142.5	-7.0	-127.5	-134.5
Gross (loss)/profit	-0.3	185.4	185.1	1.1	171.7	172.8
Marketing costs	-0.1	-52.0	-52.1	-3.5	-49.1	-52.6
Salaries	-0.6	-37.1	-37.7	-2.6	-39.3	-41.9
Other operating expenses	-0.5	-21.2	-21.7	-1.3	-21.3	-22.6
Depreciation of property, plant and equipment	-0.1	-2.0	-2.1	-0.1	-2.8	-2.9
Depreciation of right-of-use assets	-	-3.1	-3.1	-0.1	-3.3	-3.4
Amortisation of intangible assets	-0.2	-10.6	-10.8	-0.4	-9.1	-9.5
Total administrative expenses	-1.4	-74.0	-75.4	-4.5	-75.8	-80.3
Underlying (loss)/profit before items affecting comparability	-1.8	59.4	57.6	-6.9	46.8	39.9
Personnel restructuring costs	-	-0.4	-0.4	-0.1	-2.3	-2.4
Regulatory sanctions	-	1.5	1.5	-	-	-
Market closure and contract termination costs	0.1	0.1	0.2	-	-1.2	-1.2
Strategic review costs	-	-0.6	-0.6	-	-1.9	-1.9
Other (losses)/gains	-	-0.7	-0.7	0.1	1.1	1.2
Impairment losses	-	-0.1	-0.1	-	-	-
(Loss)/profit from operations	-1.7	59.2	57.5	-6.9	42.5	35.6
Finance costs	-	-2.5	-2.5	-	-3.0	-3.0
Finance income	-	0.6	0.6	-	0.5	0.5
(Loss)/profit before tax	-1.7	57.3	55.6	-6.9	40.0	33.1
Income tax expense	-	-11.1	-11.1	-	-5.4	-5.4
(Loss)/profit after tax	-1.7	46.2	44.5	-6.9	34.6	27.7
(Loss)/profit is attributable to:						
Owners of Kindred Group plc	-1.7	46.2	44.5	-6.9	34.6	27.7
Non-controlling interests	-	-	-	-	-	-
Total (loss)/profit	-1.7	46.2	44.5	-6.9	34.6	27.7
Earnings per share (GBP)	-0.01	0.22	0.21	-0.03	0.16	0.13
Diluted earnings per share (GBP)	-0.01	0.22	0.21	-0.03	0.16	0.13

GBP m	Jan-Jun					
	2024			2023		
	Discontinued operations	Continuing operations	Total	Discontinued operations	Continuing operations	Total
Revenue	7.3	628.0	635.3	15.8	597.9	613.7
Betting duties	-3.2	-171.4	-174.6	-6.3	-155.3	-161.6
Marketing revenue share	-0.1	-17.4	-17.5	-1.2	-17.5	-18.7
Other cost of sales	-3.6	-81.9	-85.5	-6.7	-81.9	-88.6
Cost of sales	-6.9	-270.7	-277.6	-14.2	-254.7	-268.9
Gross profit	0.4	357.3	357.7	1.6	343.2	344.8
Marketing costs	-0.4	-104.4	-104.8	-6.6	-100.8	-107.4
Salaries	-2.1	-74.6	-76.7	-5.6	-80.8	-86.4
Other operating expenses	-1.3	-42.0	-43.3	-2.7	-43.2	-45.9
Depreciation of property, plant and equipment	-0.2	-4.5	-4.7	-0.2	-5.7	-5.9
Depreciation of right-of-use assets	-	-5.8	-5.8	-0.2	-6.7	-6.9
Amortisation of intangible assets	-0.6	-21.0	-21.6	-0.8	-17.3	-18.1
Total administrative expenses	-4.2	-147.9	-152.1	-9.5	-153.7	-163.2
Underlying (loss)/profit before items affecting comparability	-4.2	105.0	100.8	-14.5	88.7	74.2
Personnel restructuring costs	-	-0.9	-0.9	-0.1	-3.8	-3.9
Regulatory sanctions	-	1.5	1.5	-	-	-
Market closure and contract termination costs	1.5	-0.6	0.9	-0.5	-2.1	-2.6
Strategic review costs	-	-3.5	-3.5	-	-1.9	-1.9
Other gains	-	1.0	1.0	0.3	1.7	2.0
Impairment losses	-	-0.5	-0.5	-	-	-
(Loss)/profit from operations	-2.7	102.0	99.3	-14.8	82.6	67.8
Finance costs	-	-5.2	-5.2	-	-5.3	-5.3
Finance income	-	1.3	1.3	-	1.0	1.0
(Loss)/profit before tax	-2.7	98.1	95.4	-14.8	78.3	63.5
Income tax expense	-	-19.5	-19.5	-0.1	-10.1	-10.2
(Loss)/profit after tax	-2.7	78.6	75.9	-14.9	68.2	53.3
(Loss)/profit is attributable to:						
Owners of Kindred Group plc	-2.7	78.6	75.9	-14.9	68.1	53.2
Non-controlling interests	-	-	-	-	0.1	0.1
Total (loss)/profit	-2.7	78.6	75.9	-14.9	68.2	53.3
Earnings per share (GBP)	-0.01	0.36	0.35	-0.07	0.32	0.25
Diluted earnings per share (GBP)	-0.01	0.36	0.35	-0.07	0.31	0.24

GBP m	Discontinued operations	Full year 2023 Continuing operations	Total
Revenue	29.3	1,181.2	1,210.5
Betting duties	-11.7	-306.3	-318.0
Marketing revenue share	-2.5	-35.2	-37.7
Other cost of sales	-12.6	-162.4	-175.0
Cost of sales	-26.8	-503.9	-530.7
Gross profit	2.5	677.3	679.8
Marketing costs	-16.0	-204.7	-220.7
Salaries	-11.0	-153.1	-164.1
Other operating expenses	-4.1	-86.4	-90.5
Depreciation of property, plant and equipment	-0.4	-10.7	-11.1
Depreciation of right-of-use assets	-0.4	-13.4	-13.8
Amortisation of intangible assets	-1.5	-37.2	-38.7
Total administrative expenses	-17.4	-300.8	-318.2
Underlying (loss)/profit before items affecting comparability	-30.9	171.8	140.9
Personnel restructuring costs	-2.2	-7.4	-9.6
Regulatory sanctions	-	-0.2	-0.2
Market closure and contract termination costs	-25.4	-8.4	-33.8
Strategic review costs	-	-4.9	-4.9
Other gains/(losses)	0.3	-3.7	-3.4
Impairment losses	-20.8	-	-20.8
(Loss)/profit from operations	-79.0	147.2	68.2
Finance costs	-	-11.3	-11.3
Finance income	-	2.6	2.6
(Loss)/profit before tax	-79.0	138.5	59.5
Income tax expense	-0.1	-12.2	-12.3
(Loss)/profit after tax	-79.1	126.3	47.2
(Loss)/profit is attributable to:			
Owners of Kindred Group plc	-79.1	125.6	46.5
Non-controlling interests	-	0.7	0.7
Total (loss)/profit	-79.1	126.3	47.2
Earnings per share (GBP)	-0.37	0.59	0.22
Diluted earnings per share (GBP)	-0.36	0.57	0.21

Condensed consolidated statement of comprehensive income

GBP m	Q2					
	2024			2023		
	Discontinued operations	Continuing operations	Total	Discontinued operations	Continuing operations	Total
Profit after tax	-1.7	46.2	44.5	-6.9	34.6	27.7
Other comprehensive income						
Currency translation adjustments	0.1	-3.6	-3.5	-2.0	-17.5	-19.5
Gains on net investment hedge	1.4	-	1.4	-	6.0	6.0
Total comprehensive income for the period	-0.2	42.6	42.4	-8.9	23.1	14.2

GBP m	Jan-Jun					
	2024			2023		
	Discontinued operations	Continuing operations	Total	Discontinued operations	Continuing operations	Total
Profit after tax	-2.7	78.6	75.9	-14.9	68.2	53.3
Other comprehensive income						
Currency translation adjustments	-	-14.3	-14.3	-1.9	-24.0	-25.9
Gains on net investment hedge	-	3.8	3.8	-	7.3	7.3
Total comprehensive income for the period	-2.7	68.1	65.4	-16.8	51.5	34.7

GBP m	Full year 2023		
	Discontinued operations	Continuing operations	Total
Profit after tax	-79.1	126.3	47.2
Other comprehensive income			
Currency translation adjustments	-1.9	-11.4	-13.3
Gains on net investment hedge	-	4.0	4.0
Total comprehensive income for the period	-81.0	118.9	37.9

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 11 and 13 for corresponding reconciliations of underlying EBITDA and EBITDA respectively, and page 15 for a corresponding reconciliation of free cash flow.

Condensed consolidated balance sheet measures

GBP m	30 Jun 2024	30 Jun 2023	31 Dec 2023
Cash and cash equivalents	252.5	223.4	240.3
Customer balances	-66.6	-69.9	-71.1
Unrestricted cash	185.9	153.5	169.2
Less: Borrowings	-122.2	-156.5	-141.8
Net cash/(debt)	63.7	-3.0	27.4

Key ratios

	Q2		Jan-Jun		Full year
	2024	2023	2024	2023	2023
Gross winnings revenue from locally regulated markets (%)	84%	82%	84%	81%	82%
B2C marketing as a % of Gross winnings revenue (%)	19%	21%	20%	21%	22%
Return on average equity, annualised (%)	42%	25%	37%	24%	12%
Underlying EBITDA margin (%)	22%	18%	21%	17%	17%
Net cash/(debt) / EBITDA, rolling 12-month	0.34	-0.01	0.34	-0.01	0.18
Cash conversion (%)	57%	5%	49%	30%	51%
Free cash flow per share (GBP)	0.19	0.01	0.30	0.15	0.48
Earnings per share (GBP)	0.21	0.13	0.35	0.25	0.22
Diluted earnings per share (GBP)	0.21	0.13	0.35	0.24	0.21
Employees at period end	2,323	2,446	2,323	2,446	2,453
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	231,457,551	231,485,151	231,457,551	231,485,151	232,018,730
Weighted average number of outstanding shares	215,566,767	215,361,434	215,359,807	216,183,179	215,590,888
Weighted average number of diluted outstanding shares	216,918,916	217,380,298	216,736,835	218,456,151	218,047,809

¹ At 30 June 2024 the total issued shares were 230,126,200. Of these, 14,303,068 shares are held by the Group as a result of previous repurchase programmes.

FX rates and constant currency impact

Balance sheet rates:	30 Jun 2024	30 Jun 2023	YoY Delta
Rate to GBP			
AUD	1.900	1.911	0.6%
DKK	8.811	8.677	-1.5%
EUR	1.182	1.165	-1.5%
NOK	13.465	13.637	1.3%
SEK	13.421	13.755	2.4%
USD	1.265	1.266	0.1%

Income statement averages for the quarter:

Rate to GBP	Avg Q2 2024	Avg Q2 2023	YoY Delta
AUD	1.915	1.874	-2.2%
DKK	8.745	8.567	-2.1%
EUR	1.172	1.150	-1.9%
NOK	13.568	13.407	-1.2%
SEK	13.489	13.186	-2.3%
USD	1.262	1.252	-0.8%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the second quarter of 2024 is as follows:

GBP m	Q2 2024
Revenue	-5.7
Cost of sales / operating expenses	4.3
Underlying EBITDA	-1.4
Foreign currency gain on operating items	0.9
Other items below EBITDA	0.1
Loss after tax	-0.4

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.

Q2 2024

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	316.5	-	0.7	317.2
Other revenue (B2B)	-	13.4	-3.0	10.4
Total revenue	316.5	13.4	-2.3	327.6
Cost of sales	-142.2	-2.4	2.1	-142.5
Gross profit	174.3	11.0	-0.2	185.1

Period ended 30 Jun 2024

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	613.3	-	1.5	614.8
Other revenue (B2B)	-	26.4	-5.9	20.5
Total revenue	613.3	26.4	-4.4	635.3
Cost of sales	-276.9	-4.9	4.2	-277.6
Gross profit	336.4	21.5	-0.2	357.7

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	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	97.4	80.2	74.4	61.7	74.9	74.3	177.6	149.2	285.3
Nordics	27.1	21.1	25.3	19.3	24.8	26.4	48.2	51.2	95.8
Central, Eastern and Southern Europe	8.3	8.2	8.7	7.4	10.7	12.1	16.5	22.8	38.9
Other	4.9	6.6	6.5	6.1	6.1	7.4	11.5	13.5	26.1
Total	137.7	116.1	114.9	94.5	116.5	120.2	253.8	236.7	446.1
Quarterly Year-on-Year & Year-on-Year growth (%)									
Western Europe	30%	8%	-9%	-7%	30%	9%	19%	19%	4%
Nordics	9%	-20%	-6%	-25%	6%	6%	-6%	6%	-5%
Central, Eastern and Southern Europe	-22%	-32%	-7%	-20%	18%	9%	-28%	13%	0%
Other	-20%	-11%	55%	-23%	-20%	0%	-15%	-10%	-4%
Total	18%	-3%	-6%	-13%	19%	8%	7%	13%	1%
OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	111.0	111.3	111.0	108.0	105.2	99.9	222.3	205.1	424.1
Nordics	44.5	44.1	47.0	46.0	46.7	50.2	88.6	96.9	189.9
Central, Eastern and Southern Europe	21.9	21.6	22.3	20.2	22.4	20.2	43.5	42.6	85.1
Other	2.1	4.5	6.4	6.0	7.5	6.8	6.6	14.3	26.7
Total	179.5	181.5	186.7	180.2	181.8	177.1	361.0	358.9	725.8
Quarterly Year-on-Year & Year-on-Year growth (%)									
Western Europe	6%	11%	18%	26%	70%	69%	8%	70%	41%
Nordics	-5%	-12%	-8%	-13%	-8%	3%	-9%	-3%	-7%
Central, Eastern and Southern Europe	-2%	7%	10%	11%	31%	21%	2%	26%	18%
Other	-72%	-34%	-20%	-6%	25%	8%	-54%	16%	0%
Total	-1%	2%	8%	11%	34%	35%	1%	35%	20%
TOTAL BY REGION	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	208.4	191.5	185.4	169.7	180.1	174.2	399.9	354.3	709.4
Nordics	71.6	65.2	72.3	65.3	71.5	76.6	136.8	148.1	285.7
Central, Eastern and Southern Europe	30.2	29.8	31.0	27.6	33.1	32.3	60.0	65.4	124.0
Other	7.0	11.1	12.9	12.1	13.6	14.2	18.1	27.8	52.8
Total	317.2	297.6	301.6	274.7	298.3	297.3	614.8	595.6	1,171.9
Share of total (%)									
Western Europe	65%	64%	62%	62%	60%	58%	65%	59%	60%
Nordics	23%	22%	24%	24%	24%	26%	22%	25%	24%
Central, Eastern and Southern Europe	10%	10%	10%	10%	11%	11%	10%	11%	11%
Other	2%	4%	4%	4%	5%	5%	3%	5%	5%
Quarterly Year-on-Year & Year-on-Year growth (%)									
Western Europe	16%	10%	6%	12%	51%	37%	13%	44%	24%
Nordics	0%	-15%	-7%	-17%	-4%	4%	-8%	0%	-6%
Central, Eastern and Southern Europe	-9%	-8%	5%	0%	26%	16%	-8%	21%	12%
Other	-49%	-22%	6%	-15%	0%	4%	-35%	2%	-2%
Total	6%	0%	2%	1%	28%	23%	3%	25%	12%

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	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Sports betting	137.7	116.1	114.9	94.5	116.5	120.2	253.8	236.7	446.1
Casino & games	166.3	167.7	170.3	166.0	169.5	162.1	334.0	331.6	667.9
Poker	8.8	8.7	8.9	8.1	8.0	9.4	17.5	17.4	34.4
Other products	4.4	5.1	7.5	6.1	4.3	5.6	9.5	9.9	23.5
Total	317.2	297.6	301.6	274.7	298.3	297.3	614.8	595.6	1,171.9
Share of total (%)									
Sports betting	43%	39%	38%	34%	39%	40%	41%	40%	38%
Casino & games	53%	56%	57%	61%	57%	55%	54%	55%	57%
Poker	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other products	1%	2%	2%	2%	1%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth (%)									
Sports betting	18%	-3%	-6%	-13%	19%	8%	7%	13%	1%
Casino & games	-2%	3%	7%	11%	37%	35%	1%	36%	21%
Poker	10%	-7%	3%	9%	21%	32%	1%	27%	16%
Other products	2%	-9%	39%	0%	-25%	33%	-4%	0%	10%
Total	6%	0%	2%	1%	28%	23%	3%	25%	12%

Sports betting margins

	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Sports betting stakes (GBP m)	1,140.0	1,128.3	1,164.7	1,003.8	1,029.6	1,211.6	2,268.3	2,241.2	4,409.7
Sports betting Gross winnings revenue:									
Live betting (GBP m)	64.2	58.7	60.4	53.0	58.1	64.0	122.9	122.1	235.5
Live betting margin (%)	10.8%	10.4%	10.9%	10.0%	10.6%	10.2%	10.6%	10.6%	10.6%
Live betting share (%)	42.4%	46.1%	46.9%	50.6%	45.9%	47.6%	44.1%	46.8%	47.6%
Pre-game betting (GBP m)	87.3	68.6	68.4	51.7	68.4	70.4	155.9	138.8	258.9
Pre-game betting margin (%)	16.1%	12.1%	11.2%	11.0%	14.1%	12.0%	14.0%	14.1%	14.1%
Pre-game betting share (%)	57.6%	53.9%	53.1%	49.4%	54.1%	52.4%	55.9%	53.2%	52.4%
Total before free bets (GBP m)	151.5	127.3	128.8	104.7	126.5	134.4	278.8	260.9	494.4
Sports betting margin - before free bets (%)	13.3%	11.3%	11.1%	10.4%	12.3%	11.1%	12.3%	11.6%	11.2%
Free bets (GBP m)	-13.8	-11.2	-13.9	-10.2	-10.0	-14.2	-25.0	-24.2	-48.3
Total after free bets (GBP m)	137.7	116.1	114.9	94.5	116.5	120.2	253.8	236.7	446.1
Sports betting margin - after free bets (%)	12.1%	10.3%	9.9%	9.4%	11.3%	9.9%	11.2%	10.6%	10.1%

Total margin across all product segments

	2024			2023			2024 YTD	2023 YTD	2023 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Total margin all product segments - before free bets (%) ¹	6.3%	5.8%	5.7%	5.5%	5.8%	5.7%	6.1%	5.8%	5.8%

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 15) 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, strategic review costs, and other gains/(losses).

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, 24 July 2024, Kindred Group's CEO Nils Andén and Interim CFO Patrick Kortman will host a web presentation in English at 10:00 (CEST) which will be web casted live on <https://ir.financialhearings.com/kindred-group-plc-q2-report-2024>. 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 – September 2024
Full year report 2024

25 October 2024
12 February 2025

