

“Double digit earnings growth driven by strong casino performance”.

Henrik Tjärnström, CEO

KINDRED GROUP PLC

INTERIM REPORT JANUARY - SEPTEMBER 2021 (UNAUDITED)

Financial highlights

Third quarter 2021

- Gross winnings revenue increased by 6 per cent (11 per cent in constant currency) to GBP 298.4 (280.7) million.
- Underlying EBITDA grew by 13 per cent (21 per cent in constant currency) to GBP 84.2 (74.6) million.
- Profit before tax amounted to GBP 71.8 (60.7) million.
- Profit after tax amounted to GBP 60.6 (52.5) million.
- Earnings per share were GBP 0.27 (0.23).
- 2,250,000 shares/SDRs were purchased at a total price of SEK 342.6, or GBP 28.7, million.
- Free cash flow amounted to GBP 51.2 (59.7) million.
- Number of active customers was 1,738,504 (1,650,153).
- Indicative non-recurring guidance for the fourth quarter of 2021: Depending on activity levels and the sports betting margin for the remainder of the quarter, Kindred estimates Gross winnings revenue for the fourth quarter of 2021 to be in the range of GBP 220 to 260 million.

January - September 2021

- Gross winnings revenue increased by 33 per cent (34 per cent in constant currency) to GBP 1,014.7 (765.5) million.
- Underlying EBITDA grew by 76 per cent (83 per cent in constant currency) to GBP 296.5 (168.8) million.
- Profit before tax amounted to GBP 259.6 (94.4) million.
- Profit after tax amounted to GBP 220.3 (80.3) million.
- Earnings per share were GBP 0.97 (0.35).
- 3,567,000 shares/SDRs were purchased at a total price of SEK 532.6, or GBP 44.9, million.
- Free cash flow amounted to GBP 223.4 (156.3) million.

Key highlights

- Importance of multi-product strategy highlighted, as casino & games shows healthy growth during period of low sports seasonality.
- Focus on scalability is paying off, with a strong underlying EBITDA margin of 28 per cent despite investments in growth markets.
- Strong profit growth and continued strengthening of the net cash position.
- Tough competition in the US but work towards a proprietary platform and unique product offerings continues at pace, whilst the new states Arizona and Iowa went live in the quarter.
- Communication of decision to cease services to Dutch residents on 30 September 2021. Subject to KSA licence application approval, we look forward to being awarded our licence in Q2 2022.

Key figures

GBP m	Q3		Jan-Sep		Full year 2020
	2021	2020	2021	2020	
Gross winnings revenue	298.4	280.7	1,014.7	765.5	1,130.2
EBITDA	84.1	74.2	296.2	158.3	274.2
Underlying EBITDA	84.2	74.6	296.5	168.8	286.8
Profit before tax	71.8	60.7	259.6	94.4	193.1
Profit after tax	60.6	52.5	220.3	80.3	165.2
Earnings per share (GBP)	0.27	0.23	0.97	0.35	0.73
Net cash/(net debt) / EBITDA, rolling 12-month basis	0.52	-0.01	0.52	-0.01	0.38
Free cash flow	51.2	59.7	223.4	156.3	267.5
Active customers (No.)	1,738,504	1,650,153			

CEO comment

Double digit earnings growth driven by strong casino performance

I'm pleased to present a strong Q3 performance with Gross winnings revenue of GBP 298.4 million, an increase of 6 per cent (11 per cent in constant currency) compared to the same period last year. Our continued focus on costs and scalability has also delivered strong underlying EBITDA of GBP 84.2 million for the quarter, an increase of 13 per cent (21 per cent in constant currency) compared to the third quarter last year.

Following Italy's European Championship win we experienced the usual seasonal dip in customer activity as the major football leagues concluded, and the holiday period commenced. During this period the number of actives dropped slightly to 1.7 million which is normal following a major sports quarter.

Normalisation effect across Europe has short-term effect on sports activity

The conclusion of Euro 2020 coincided with the lifting of COVID-19 restrictions across much of Europe. After a relentless sporting calendar and subsequent low sports seasonality, sportsbook activity slowed as options for other sources of entertainment improved. However, it was pleasing to see continued strong casino activity generating an increase in casino Gross winnings revenue of 16 per cent to GBP 168.3 million versus the same period last year, which is testament to our strong multi-product offering.

Revenue from regulated markets remains stable

Revenue from regulated markets remains a central strategic focus for Kindred, and we made good progress in our UK, Danish, and Belgian markets; however, France being a sports betting only market has impacted performance during the slower sports period post Euro 2020.

Waiting for a licence in the Netherlands

As communicated at the very end of the quarter, we took the decision to cease services to Dutch residents. Subject to KSA licence application approval, we look forward to being awarded our licence in Q2 2022. The opening of the online gambling market in the Netherlands is a very positive step for all involved and

we look forward to making a positive contribution to the Dutch society as a valued expert in achieving a sustainable gambling market.

Live in two new US states and a fresh creative concept

We continued our focus on expanding our presence in the US by securing licences for Arizona and Iowa during the quarter, with both states offering significant future potential for Kindred. Competition in the US remains tough, but we see excellent opportunity in states where we can offer customers a more diversified product offering of both sports betting and casino. In line with the start of the NFL season, we strengthened our marketing mix with a fresh creative concept and work on our proprietary platform also continues at pace. We look forward to having greater control over the product experience for our growing US customer base.

Acquisition of Relax Gaming completed as planned

On 1 October 2021, we concluded the acquisition of Relax Gaming as planned. This is a great development for Kindred as it further enables us to significantly differentiate both new and existing products, ultimately giving us more control of the offerings and providing our customers with a better experience. Equally important is that we continue to support Relax to develop their excellent B2B offering, including into the US which is expected to be an important growth market.

Our "journey towards zero" continues

Our ambition to contribute towards a more fact-based dialogue across all our markets continues with our "journey towards zero". During the third quarter, revenue from harmful gambling was 3.3 per cent, a decrease from the second quarter. We continue to focus efforts on eliminating this revenue through investing in proprietary technology and resources, and by working with partners inside and outside the gambling industry. An important step in this direction is the Sustainable Gambling Conference which we hosted on 5 October with good participation.

Henrik Tjärnström, CEO



Gross winnings revenue GBP 298.4m (+6%)	Locally regulated GWR GBP 167.2m (56% of GWR)	Underlying EBITDA GBP 84.2m (+13%)	Free cash flow GBP 51.2m (-8.5m)	Active customers 1,738,504 (+5%)	Net Cash GBP 214.1m
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Significant events

During the quarter

- On 2 July 2021, Kindred announced that it had signed an agreement to acquire the remaining outstanding shares in Relax Gaming. The acquisition was subsequently completed on 1 October 2021, as detailed below.
- On 23 July 2021, it was announced that the Board of Directors had decided to start exercising the buy-back mandate received at the Extraordinary General Meeting (EGM) on 10 June 2021. The programme, running between 26 July and 17 December 2021, amounts to a total of up to SEK 600 million. During the quarter, 2,250,000 shares/SDRs were purchased at a total price of SEK 342.6, or GBP 28.7, million. At 30 September 2021, the total number of issued shares in the company is 230,126,200 and Kindred's holding of its own shares is 5,084,839. The intention of the Board is to cancel repurchased shares not required for the Group's employee share schemes, with approval already obtained from the shareholders at the EGM in June 2021.
- On 1 September 2021, Kindred continued its expansion in the US by launching in its fifth state, Iowa. This marks Kindred's second launch as part of the multi-state partnership with Caesars, signed in 2020, and brings mobile sportsbook to Iowa.
- On 9 September 2021, Kindred further expanded its reach in the US via entry into its sixth state, Arizona, through a multi-state partnership with the Quechan Tribe of the Fort Yuma Indian Reservation. This launch is in relation to mobile sportsbook in Arizona, with retail sportsbook expected to follow shortly.
- On 30 September 2021, Kindred announced that it had taken the decision to temporarily cease services to Dutch residents as of 30 September 2021. Kindred's ambition is to be a sustainable operator in the Netherlands and to contribute positively to the Dutch society once a licence is awarded. For further details please see the relevant [press release](#) (dated 30 September 2021).

After the end of the quarter

- On 1 October 2021, Kindred completed the previously announced acquisition of the remaining outstanding shares in Relax Gaming a leading and rapidly growing B2B iGaming supplier. The initial consideration for the remaining outstanding share of approximately EUR 80 million (on a cash and debt free basis) has been settled in cash. In addition to the initial consideration, the maximum earn-out payments amount to EUR 113 million and may become payable in 2022 and 2023, subject to Relax Gaming achieving certain earnings thresholds. The transaction values Relax Gaming at up to EUR 320 million on a cash and debt free basis (enterprise value). For more information, see the relevant [press release](#) (dated 1 October 2021) on the Kindred Group website and page 28.
- On 25 October 2021, Kindred published its latest report on its share of revenue derived from high-risk customers, as part of its "journey towards zero". For the third quarter of 2021, this was 3.3 per cent. As previously reported, for the second quarter of 2021 this was 4.3 per cent.
- On 26 October 2021, Kindred communicated that its services would remain closed to Dutch residents until a Dutch licence is awarded. Subject to KSA licence application approval, we look forward to being awarded our licence in Q2 2022. For further details please see the relevant [press release](#) (dated 26 October 2021).

Trading update and indicative guidance

The average daily Gross winnings revenue for the Group for the first 24 days of October 2021 was 61 per cent (59 per cent in constant currency) lower than the daily average for the same period last year.

Gross winnings revenue has been negatively impacted by the closure of services to Dutch residents and an exceptionally weak sports betting margin. The margin after free bets was under 2 per cent during the period, compared to 13 per cent for the same period last year. The number of active customers for the first 24 days of October 2021 decreased by 13 per cent compared to the same period last year.

The daily average gross sports betting turnover decreased by 21 per cent (17 per cent in constant currency) compared to the same period last year. The daily average Gross winnings revenue from casino decreased by 24 per cent (21 per cent in constant currency) compared to the same period last year.

Due to the decision to cease services to Dutch residents, and the exceptionally weak sports betting margin, Kindred has decided to communicate non-recurring indicative guidance for the full fourth quarter of 2021. Depending on activity levels and the sports betting margin for the remainder of the quarter, Kindred estimates Gross winnings revenue for the fourth quarter of 2021 to be in the range of GBP 220 to 260 million.

Customer activity

The level of customer activity has remained high across the business with the total number of registered customers increasing to around 31.4 (29.1) million at 30 September 2021, whilst at 30 June 2021 over 30.9 million customers were registered.

For the third quarter of 2021, the number of active customers amounted to 1,738,504 (1,650,153), a 5 per cent increase compared to the third quarter of 2020 and the fourth highest of all time. Although there was a decrease from the second quarter of 2021, this was expected following the busy sporting schedule that took place earlier in the summer.

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 90 days.



1,738,504

Active customers for Q3 2021

+5%

Active customer growth from Q3 2020

Financial review

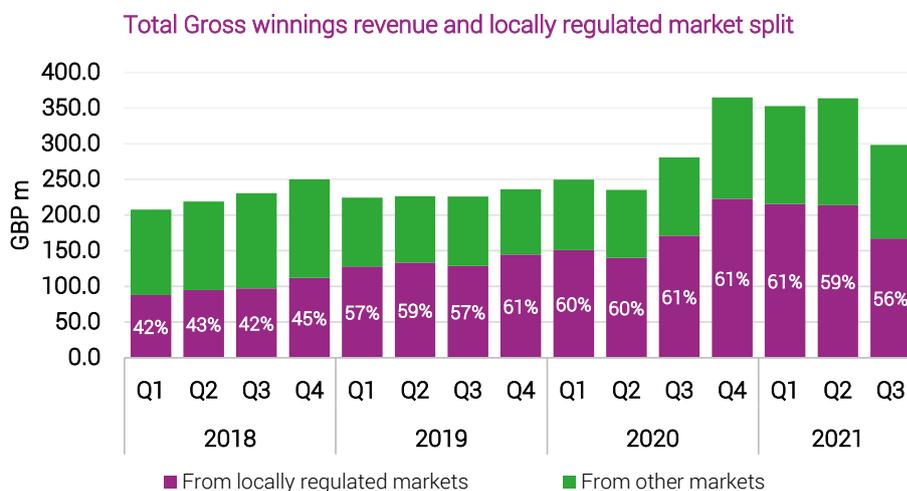
Gross winnings revenue

Total Gross winnings revenue for the third quarter of 2021 amounted to GBP 298.4 (280.7) million and GBP 1,014.7 (765.5) million for the period January to September 2021.

For the third quarter of 2021, Gross winnings revenue grew by 6 per cent (11 per cent in constant currency) from the same period in the prior year, whilst for the period January to September 2021 it grew 33 per cent (34 per cent in constant currency). The casino segment led the way, continuing to perform strongly throughout 2021 and showing no signs of relenting, even as the world begins to normalise post-pandemic. The year to date metric was boosted by strong sports betting activity and margins during the first half of 2021, as well as the negative impact on sports during the comparative period in 2020. The third quarter, however, was impacted by a dip in sportsbook activity likely owing to the lifting of COVID-19 restrictions across Europe and low sports seasonality following the busy sporting calendar earlier in the year.

Gross winnings revenue from locally regulated markets, which remains a key priority for the Group, stood at 56 (61) per cent of the total quarterly revenue, as can be seen in the graph below. The percentage can vary slightly quarter on quarter due to marginal variances in market performances across the Group, however the reduction during the third quarter of 2021 is specifically as a result of the performance in France, as explained in the following section.

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 31 and 32.



Gross winnings revenue by region

Western Europe

Western Europe Gross winnings revenue amounted to GBP 189.6 (173.3) million for the third quarter of 2021, an increase of 9 per cent from the same period in 2020, with most markets in the region continuing to perform well.

Belgium was the standout performer for the region, reporting Gross winnings revenue growth of 50 per cent in local currency in the third quarter of 2021 compared to the same period in 2020. Both sports betting and casino contributed to this growth, with the headline development coming from sports betting. The number of active customers for the market has grown by 32 per cent in the third quarter of 2021 compared to the same period in 2020,

GBP

298.4m

Gross winnings revenue for Q3 2021

+6%

Gross winnings revenue growth from Q3 2020 (+11% in constant currency)

56%

Gross winnings revenue from locally regulated markets for Q3 2021

GWR by region



- Western Europe - 64%
- Nordics - 23%
- CES - 9%
- Other - 4%

and the number of sports betting active customers has seen an equivalent 34 per cent increase.

France has seen a 22 per cent reduction in local currency in Gross winnings revenue in the third quarter of 2021 compared to the third quarter of 2020. The main reason for the decline is the fact that the comparative period in 2020 was so strong. The third quarter of 2020 saw a peak in activity against a busy sporting schedule following a period of significant disruption (recommencement of domestic football leagues, as well as the conclusion of international football competitions which saw Unibet-sponsored Paris Saint-Germain reach the 2020 Champions League final). Comparatively in the third quarter of 2021, the number of new players acquired during Euro 2020 was lower than expected, partly due to the poorer performance of the French national team, leading to a negative knock-on impact on the number of active customers across recent months.

In recent quarters, there has been a need to increase marketing investment in France in response to growing competition in the market and protection of share of voice. Newly announced marketing restrictions have additionally lowered the rate of new acquisitions through traditional channels, calling for change in Kindred's routes to market. In line with previous quarters, marketing investment is supported by product and platform investments. Continual evolution in these areas will protect Kindred's position long-term, with the next round of stability and product enhancements expected for the French platform in the coming months.

Nordics

Nordic Gross winnings revenue amounted to GBP 69.8 (66.0) million for the third quarter of 2021, an increase of 6 per cent from the same period in 2020.

Denmark continued to lead the growth for the region in the third quarter of 2021, increasing 20 per cent in local currency compared to the third quarter of 2020. Casino was a key contributor to this growth with active customers increasing in the third quarter of 2021 compared to the same period last year by 29 per cent for the Unibet brand and by 20 per cent for the Maria brand.

Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 25.6 (25.4) million for the third quarter of 2021, an increase of 1 per cent from the same period in 2020. Romania was again the biggest contributor to the region with Gross winnings revenue seeing 11 per cent growth in local currency in the third quarter of 2021 compared to the same period last year. Active customers continue to develop in the market with 20 per cent growth noted in the third quarter of 2021 compared to the same period in 2020.

Other regions

Other regions Gross winnings revenue amounted to GBP 13.4 (16.0) million for the third quarter of 2021, a decrease of 16 per cent from the same period in 2020.

Gross winnings revenue for the US market amounted to GBP 5.8 million in the third quarter of 2021, a decrease of 15 per cent in local currency compared to the third quarter of 2020. Kindred continues to invest heavily in bonuses and marketing, and this is most significant in the months following new state launches. Whilst high bonus spend has a detrimental impact on Gross winnings revenue in the short term, it is an investment for longer-term growth, with the number of active customers currently trending well within new states.

Western Europe GWR (GBP m)



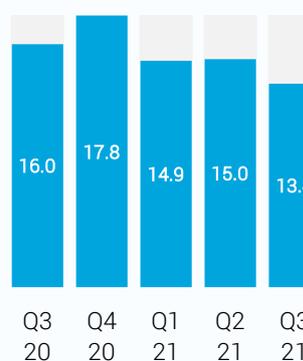
Nordics GWR (GBP m)



Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)

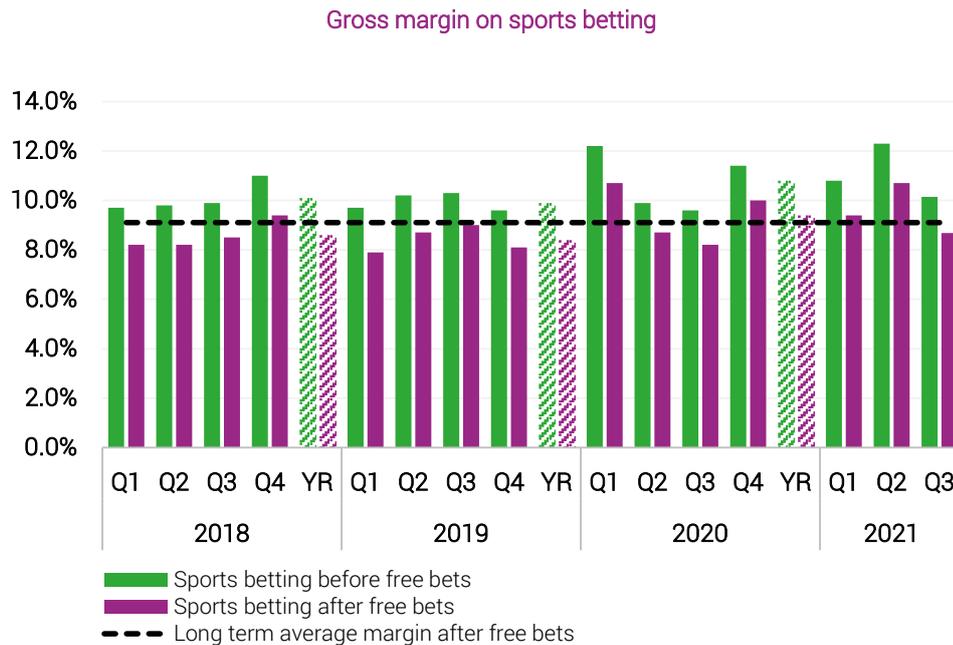


During the third quarter of 2021, Kindred successfully launched sports betting in both Iowa and Arizona, taking Kindred's number of operational US states to six. Across Kindred's US state portfolio, the number of active customers has increased by 13 per cent compared to the same period in 2020, increasing 2 per cent within Kindred's existing states and with encouraging development in Kindred's newly launched states of Iowa and Arizona in September 2021.

Gross winnings revenue by product segment

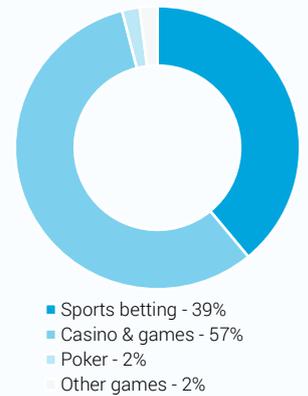
Sports betting

The gross margin for total sports betting for the third quarter of 2021 before free bets was 10.1 (9.6) per cent and after free bets was 8.7 (8.2) per cent, lower than the Group's long-term average sports betting margin of 9.1 per cent after free bets. In recent years, the typical average sports betting margin for the Group has increased. This is generally due to the fact that the French sports business has grown faster than the average growth for other markets and, like all operators, Kindred is required to cap pay-out to customers at 85 per cent. However, sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. It is expected that over time these margins will even out. This can be seen in the graph below. The bars show total sports betting gross margin by quarter and full year. Please refer to page 32 for more information on sports betting margins.



In the third quarter of 2021, sports betting turnover was 10 per cent behind the tough comparative set in the third quarter of 2020 and Gross winnings revenue finished just 4 per cent behind due to a slightly improved sportsbook margin. The third quarter of 2020 saw an unusually busy sports calendar, due to the knock-on impact of the COVID-19 related suspensions earlier in the year. Although the start of the third quarter 2021 saw the conclusion of Euro 2020, the sports calendar was much quieter until the major football leagues restarted in August. Excluding France, there was positive Gross winnings revenue growth in sportsbook compared to the same period in 2020.

GWR by product segment



8.7%

Sports betting margin after free bets for Q3 2021, below the long-term average of 9.1%

-4%

Sports betting Gross winnings revenue decrease from Q3 2020

In line with previous quarters, football was the top sport for sports betting turnover and activity was high as the domestic and international football competitions recommenced in the second half of the quarter following the summer break. Euro 2020 concluded in July with a high number of upsets in the later stages of the tournament driving a positive finish for activity and Gross winnings revenue. The tournament also saw particularly strong activity for Bet Builder, taking an average of 21 per cent of all pre-match bets during the semi-final and final stages for markets where the product is live.

More recently, Kindred has enjoyed the start of the NFL season alongside continued expansion in the US. Looking ahead to the fourth quarter of 2021, the NBA and NHL seasons will also recommence in October, supporting a busy football calendar with the continuation of the domestic and international competitions.

Kindred enjoyed another strong quarter for racing with solid performance for active customers and Gross winnings revenue. In the UK, meeting highlights were Goodwood and the York Ebor festivals, whilst Australia has seen the start of Spring Carnival in the closing weeks of the quarter, which will include some of the market's biggest racing of the year.

Kindred's proprietary racing product contributed 8 (9) per cent to total sports betting Gross winnings revenue excluding France in the third quarter of 2021. As well as being an industry-leading racing product, the agility of the platform, both from a pricing and promotional perspective, allows it to be utilised to facilitate the acquisition and conversion of players to other products, thus driving value through other product verticals as well as racing.

Casino & games

During the quarter, Kindred continued to see growth in the casino product with Gross winnings revenue being 16 per cent higher than the same quarter of the previous year and active customers 7 per cent higher than the same quarter of the previous year. This is encouraging when compared to the high level of casino activity seen during the same period last year and considering the offline segment has now reopened.

During the third quarter Kindred launched 132 casino games, which included 23 exclusive casino games, showing suppliers continue to trust Kindred to launch their exclusive content. The new live casino lobby layouts were launched for all markets on the Bingo.com brand with more Kindred brands to follow shortly. This will ensure Kindred customers continue to enjoy a unique and personalised live casino experience.

Poker and other products

Gross winnings revenue for the quarter from poker and other products amounted to GBP 14.2 million, a decrease of 4 per cent when compared to the previous year. However, the newly released game lab feature and new loyalty system, within the poker product, has been received very favourably both by customers and industry press. This has contributed to higher levels of poker activity this quarter, generating an increase of 1 per cent in poker Gross winnings revenue from the same period in 2020.

+16%

Casino & games Gross winnings revenue growth from Q3 2020

+1%

Poker Gross winnings revenue growth from Q3 2020

Group costs and profitability

Cost of sales

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Betting duties	-50.5	-57.5	-196.8	-155.6	-231.0
Marketing revenue share	-12.4	-12.8	-41.4	-38.1	-53.6
Other cost of sales	-50.5	-47.4	-160.3	-128.2	-180.4
Cost of sales	-113.4	-117.7	-398.5	-321.9	-465.0

Cost of sales movements generally correlate directly with movements in Gross winnings revenue. For the third quarter of 2021 betting duties have in fact decreased from the same period in the prior year, as expected variations in Gross winnings revenue between markets were more significantly impacted by the performance in France discussed earlier in the report.

For the period January to September 2021, betting duties and other cost of sales have increased substantially in comparison to the same period of the prior year, as expected. For the period January to September 2021, other cost of sales, which includes product commission costs, as a percentage of Gross winnings revenue has however reduced thanks to the Group's continued cost efficiencies during 2021.

Gross profit

Gross profit for the quarter was GBP 185.0 (163.0) million, an increase of 13 per cent from the third quarter of 2020. Gross profit for the period January to September 2021 was GBP 616.2 (443.6) million, an increase of 39 per cent from the period January to September 2020.

Marketing costs

The third quarter typically incurs lower marketing costs, caused by seasonality and breaks in many of the major sports leagues. Marketing costs amounted to GBP 55.1 (46.1) million for the quarter and GBP 175.6 (142.7) million for the period January to September 2021. There is an increase from the same periods in the prior year as the Group continues to invest to drive future business growth, whilst the variance is also impacted by the effect of COVID-19 on sporting events during 2020 which temporarily drove lower spend.

As a percentage of Gross winnings revenue, total marketing expenditure (including marketing revenue share within cost of sales) has increased to 23 (21) per cent for the quarter when compared to the same period of 2020. As mentioned above, the prior year marketing levels were heavily impacted by COVID-19 which resulted in an unusually low comparative. For the year to date, this decreases to 21 (24) per cent when compared to the same period of 2020, demonstrating the Group's focus on marketing efficiencies throughout 2021.

Administrative expenses

The Group's increased focus on costs in recent quarters has resulted in a stable cost base and scalability, as can be seen in the graph "Expenses as a % of GWR (LTM)".

Salaries increased by GBP 2.1 million from the third quarter of 2020, directly attributable to the 7 per cent headcount increase between these periods. For the period January to September 2021 the increase in salaries compared with the same period of 2020 was further explained by the material increase in social security costs on the Group's employee share schemes which has already been reported during the first half of 2021.

23%

Total marketing expenditure, as a percentage of Gross winnings revenue for Q3 2021

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Salaries	-28.4	-26.3	-86.4	-82.5	-109.7
Other operating expenses	-16.7	-14.8	-49.7	-48.4	-63.7
Depreciation of property, plant and equipment	-3.8	-3.8	-11.0	-11.3	-15.1
Depreciation of right-of-use assets	-2.7	-2.9	-8.1	-8.4	-11.3
Amortisation of intangible assets (excluding assets that arose on acquisition)	-4.9	-6.0	-14.5	-18.8	-24.3
Amortisation of intangible assets that arose on acquisition	-0.3	-0.1	-0.8	-2.9	-3.0
Accelerated amortisation of intangible assets that arose on acquisition	-	-	-	-6.9	-6.9
Impairment losses recognised in the period	-	-	-	-3.9	-7.8
Total administrative expenses	-56.8	-53.9	-170.5	-183.1	-241.8

Expenses as a % of GWR (LTM)



Other operating expenses for the quarter increased by GBP 1.9 million from the same period in 2020, and by GBP 1.3 million for the period January to September 2021 due to anticipated business growth during 2021. However, as a percentage of Gross winnings revenue (LTM) these costs decreased, as the Group's focus on sustainable growth and the optimisation of its operating expenditure continues to pay off.

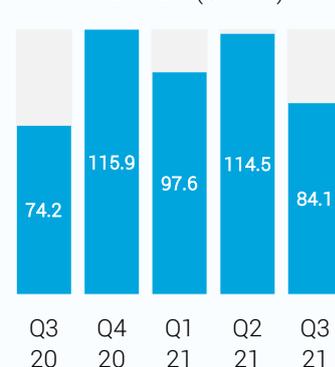
The decrease in total amortisation for the period January to September 2021 of GBP 13.3 million when compared to the same period in 2020 is largely a result of the one-off charges of GBP 6.9 million taken during the first quarter of 2020 following the discontinuation of certain brands. The decrease is also resulting from intangible assets with definite useful lives from the 32Red acquisition in 2017 which were fully amortised by the end of the second quarter of 2020, as well as the temporary effect from lower levels of capitalisation of development costs during 2020 (which have returned to normal during 2021).

Impairment losses for the period January to September 2020 were one-off charges from the reassessment of the fair value of goodwill and are not relevant for 2021.

EBITDA and profit from operations

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Gross profit	185.0	163.0	616.2	443.6	665.2
Marketing costs	-55.1	-46.1	-175.6	-142.7	-203.6
Salaries	-28.4	-26.3	-86.4	-82.5	-109.7
Other operating expenses	-16.7	-14.8	-49.7	-48.4	-63.7
Foreign currency loss on operating items	-0.6	-1.2	-8.0	-1.2	-1.4
Underlying EBITDA	84.2	74.6	296.5	168.8	286.8
Management incentive costs relating to acquisitions	-	-0.1	-0.2	-0.3	-0.4
Personnel restructuring costs	-	-0.3	-0.5	-2.2	-4.2
Merger and acquisition costs	-0.1	-	-3.8	-	-
Disputed regulatory sanction	-	-	4.2	-8.0	-8.0
EBITDA	84.1	74.2	296.2	158.3	274.2

EBITDA (GBP m)



Underlying EBITDA for the quarter, as defined above, increased by 13 per cent (21 per cent in constant currency) from the same period in the prior year and was driven by the increase in Gross winnings revenue and decrease in betting duties, both explained previously, as well as the Group's continued drive for scalability and cost control. This increase was achieved despite a negative underlying EBITDA contribution from the US market of GBP 7.6 million

for the quarter as the Group continues to invest, in line with its strategy, to grow this market for the future.

Profit from operations for the third quarter of 2021 was GBP 72.4 (61.4) million, and for the period January to September 2021 was GBP 261.8 (106.1) million. On top of the reasons provided above for underlying EBITDA, the variance from the prior year was impacted by changes in amortisation charges detailed on the previous page.

Items affecting comparability

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Management incentive costs relating to acquisitions	-	-0.1	-0.2	-0.3	-0.4
Personnel restructuring costs	-	-0.3	-0.5	-2.2	-4.2
Merger and acquisition costs	-0.1	-	-3.8	-	-
Disputed regulatory sanction	-	-	4.2	-8.0	-8.0
Foreign currency loss on operating items	-0.6	-1.2	-8.0	-1.2	-1.4
Items affecting comparability	-0.7	-1.6	-8.3	-11.7	-14.0

Items affecting comparability amounted to a negative contribution of GBP 0.7 (1.6) million for the quarter and a negative contribution of GBP 8.3 (11.7) million for the period January to September 2021.

For the period January to September 2021, merger and acquisition costs of GBP 3.8 (nil) million were recognised in relation to the acquisition of Relax Gaming on 1 October 2021. Of this total, GBP 0.1 million were recognised during the third quarter.

During the first quarter of 2020, a provision for a disputed regulatory sanction relating to the decision by the Swedish Gambling Authority to issue Kindred with a fine of SEK 100.0 (GBP 8.0) million was recognised. Kindred appealed the decision to the Swedish Administrative Court and during the second quarter of 2021 this fine was reduced by 50 per cent to SEK 50.0 million, with the reduction of the provision of GBP 4.2 million recognised as a credit to the income statement. In July 2021, Kindred applied for permission to appeal this decision. It is only once a final judicial decision has been issued that a fine, if any, becomes payable. In the meantime, Kindred maintains a full provision for its current exposure.

Kindred operates internationally and its results are therefore naturally impacted by currency fluctuations. The foreign currency gain/(loss) on operating items, as disclosed within items affecting comparability, is currently included within both underlying EBITDA and EBITDA. As explained on page 16, the classification of this line item will be updated from the fourth quarter of 2021. This primarily comprises unrealised foreign currency differences relating to the retranslation of foreign currency current assets and liabilities, including both cash and customer balances.

The significant loss for the period January to September 2021, as previously communicated, was due to a significant impact in the first quarter when in comparison to previous quarters the Group's presentational currency strengthened substantially against the Group's main trading currencies. This led to a larger than usual unrealised foreign currency impact in the income statement, primarily as a result of the retranslation of the Group's significant cash balances.

Net finance costs/income

Net finance costs for the third quarter of 2021 were GBP 1.2 (1.3) million. Net finance costs for the period January to September 2021 were GBP 3.7 (4.5) million. This primarily

GBP

0.6m

Foreign exchange loss on operating items for Q3 2021

comprises interest and fees on borrowings which amounted to GBP 0.9 (1.1) million for the third quarter and GBP 2.9 (3.9) million for the period January to September 2021.

Foreign currency loss/gain on borrowings

The foreign currency gains and losses on borrowings previously reported in the condensed consolidated income statement refer to the revaluation of the Group's multicurrency facilities.

On 1 January 2021, the Group implemented 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. This amounted to a loss of GBP 0.1 million for the third quarter and a gain of GBP 4.2 million for the period January to September 2021.

Profit before tax

Profit before tax for the third quarter of 2021 was GBP 71.8 (60.7) million. Profit before tax for the period January to September 2021 was GBP 259.6 (94.4) million.

Profit after tax

Profit after tax for the third quarter of 2021 was GBP 60.6 (52.5) million. Profit after tax for the period January to September 2021 was GBP 220.3 (80.3) million.

Financial position

As at 30 September 2021, GBP 114.8 (135.6) million of the Group's facilities was utilised out of a total of GBP 280.0 (280.0) million. The facilities comprise a GBP 120.0 million bullet term loan and a GBP 160.0 million revolving loan facility of which the total amount utilised relates only to the term loan. The total borrowings recognised in the statement of financial position of GBP 114.4 (134.8) million are reported net of the associated transaction fees which were incurred upon entering the facilities agreement and which are being expensed over its duration. During the quarter the total borrowings have been reclassified from non-current to current liabilities as the facilities are repayable in full in July 2022.

The Group remains in a net cash position, amounting to GBP 214.1 (net debt of 2.2) million at the 30 September 2021, as results and cash flow generation have remained strong during the quarter. Net cash/EBITDA (rolling 12-month basis) for the quarter was 0.52 (net debt/EBITDA of 0.01).

Cash and cash equivalents at the end of the third quarter of 2021 stood at GBP 409.0 (207.8) million while at the beginning of the quarter it was GBP 384.4 (172.8) million. Please refer to the cash flow section for more detail on the movement during the period and to page 29 for a reconciliation of the unrestricted cash balance.

Capital investments

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

In the third quarter of 2021 intangible assets of GBP 11.8 (4.9) million have been capitalised, bringing the total capitalised for the period January to September 2021 to GBP 25.7 (15.7) million. During the quarter, the Group acquired global exclusivity rights on

GBP

60.6m

Profit after tax for Q3 2021

GBP

214.1m

Net cash at 30 September 2021

several slot games, allowing these games to only be offered by Kindred, this contributed to GBP 4.2 million of the increase this quarter. The remaining increase predominantly relates to capitalised development costs, as explained below.

Capitalised development costs primarily represent capitalised salary costs for those working on the development and enhancement of the platform. Capitalised development costs for the third quarter of 2021 were GBP 6.3 (4.8) million, bringing the total capitalised for the period January to September 2021 to GBP 19.3 (15.3) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining. The increase when compared to the same period in 2020 is a result of the increased headcount and capitalisation levels starting to return to more normal levels since the beginning of 2021.

Cash flow

Net cash generated from operating activities amounted to GBP 70.3 (72.8) million for the third quarter and GBP 269.1 (192.2) million for the period January to September 2021. The significant increase when comparing the periods from January to September is primarily the result of the improved underlying performance. However, as reported in the previous quarter, this is offset by substantial negative movements in net working capital and net income taxes paid. This is largely attributable to the fluctuations in relation to the timing of tax and supplier payments due to the COVID-19 situation.

Cash flows used in investing activities were GBP 14.1 (5.2) million for the third quarter and GBP 59.0 (18.4) million for the period January to September 2021. For the quarter, the increase from 2020 is due to the increases in capital investments explained in detail above. On top of this, the increase for the period of January to September is primarily due to the acquisition of Blancas NV during the second quarter of 2021, as previously reported.

Cash flows used in financing activities for the quarter were impacted by share purchases totalling GBP 28.7 (nil). During the third quarter of 2020, there were also repayments of borrowings of GBP 28.6 million.

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Net cash generated from operating activities	70.3	72.8	269.1	192.2	316.1
Purchases of property, plant and equipment	-2.3	-0.3	-7.9	-3.1	-5.2
Development and acquisition costs of intangible assets	-11.8	-4.9	-25.7	-15.7	-20.7
Interest paid on lease liabilities	-0.3	-0.3	-1.0	-0.9	-1.3
Repayment of lease liabilities	-2.9	-2.6	-8.1	-8.4	-11.3
Adjust for: customer balance movement	-1.8	-5.0	-3.0	-7.8	-10.1
Free cash flow	51.2	59.7	223.4	156.3	267.5

Free cash flow, as defined in the table above, for the third quarter of 2021 was GBP 51.2 (59.7) million, a decrease of GBP 8.5 million from the third quarter of 2020. For the period January to September 2021 free cash flow was GBP 223.4 (156.3) million, an increase of GBP 67.1 million from the same period of 2020. This is predominantly a result of movements in net cash generated from operating activities and capital investments, as explained above.

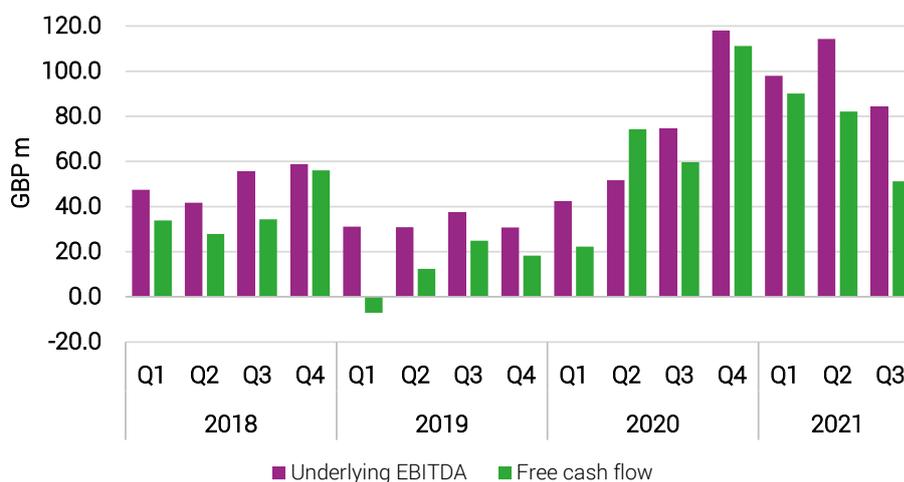
The quarterly underlying EBITDA and free cash flow is shown in the graph below, with cash conversion for the third quarter of 2021 standing at 61 (80) per cent. The decrease from the third quarter of 2020 is primarily due to working capital movements, as explained above, with the comparatives more volatile as a result of COVID-19 disruption. Cash conversion over the last twelve months to the end of the third quarter of 2021 amounts to 81 (88) per cent and thus more aligned with the previous year comparative.

GBP

51.2m

Free cash flow for Q3 2021

Underlying EBITDA and free cash flow



Operational review

Market update

The culmination of Euro 2020 delivered strong customer activity across all European markets at the start of the quarter. This was followed by the normal seasonal reduction in activity as major football leagues broke for the summer and the holiday season commenced.

Strategic sponsorship activity continued across Kindred's European markets, with key agreements signed in Denmark, France and Belgium. Kindred consolidated its long-standing relationship with FC Copenhagen with a shirt sponsorship deal, considered to be the most valuable football sponsorship in Denmark. In France, Kindred diversified its sponsorship approach by partnering with Nice (Football League 1), Toulouse (Rugby, Top 14) and Paris Basket (Basket, Pro A). In Belgium, Kindred added Sporting Charleroi to its sponsorship roster, which already includes Club Brugge.

In response to higher volumes of gambling marketing during the build-up to Euro 2020, the French regulator has launched a public consultation in marketing practice. This ran from 20 September to 20 October 2021, and the results will feed into the existing regulatory review. In the UK, we await the publication of the White Paper, setting out the Government's vision for potential changes to the 2005 Gambling Act.

In Sweden, the government is expected to publish a proposal on particular moderate marketing, which will result in stricter regulations around gambling marketing. A review process is taking place and Kindred is working closely with trade associations and partners to explain the impact of such a proposal.

During the quarter, Kindred further expanded its US portfolio by entering Arizona and Iowa and, in time for the start of the new NFL season, also launched a new creative concept to further build its US customer base.

The Dutch Remote Gambling came into force on 1 October 2021. As communicated at the very end of the quarter, Kindred took the decision to cease services to Dutch residents. Subject to KSA licence application approval, we look forward to being awarded our licence in the second quarter of 2022, bringing its considerable experience and expertise on Responsible Gambling to the Dutch market.

Product segment update

Following the successful completion of Euro 2020, the Tokyo 2020 Olympics generated significant interest and activity from customers, despite the delay due to the pandemic. A long overdue increase in the coverage of professional women's football means this is also growing in popularity with customers and fast becoming a significant driver of sportsbook turnover.

Continued expansion in the US combined with a new Unibet marketing campaign led to a strong uplift in activity associated with US sports, both from US and European customers. This was also supported by an improved 'Bet Builder' offering on the NFL.

Unibet received industry recognition during the quarter after winning IGA awards for its poker and sportsbook products and Kindred has also been shortlisted for multiple EGR awards, with winners due to be announced in the fourth quarter.

Following the launch of Unibet's new Watch & Bet streaming player and BetShare, both products have shown tremendous promise and generated much excitement with customers. The reception of both products has been very positive, demonstrating Unibet as an innovative brand with a unique offering. Both products will continue to be enhanced and improved during the coming quarters.

The successful completion of the Relax Gaming acquisition further strengthens Kindred's ability to deliver improvements to games and improve the overall customer experience. Kindred is also committed to strengthening Relax's position as a leading B2B organisation, supplying great products to both tier one brands and hyper local operators.

Sustainability

Kindred's "journey towards zero", which sets the ambition to have zero revenue from harmful gambling by the end of 2023, continues to be a focus area. During the third quarter a slight decrease of revenue from harmful gambling has been reported, which is partly driven by the operational optimisation in our work to de-risk customers and a more proactive approach towards communicating with our customers. Since the data was published, Kindred has been invited by policy formers and regulators in several markets to discuss how the ambition can be achieved. More information can be found on www.kindredgroup.com/zero.

For the third year in a row, 30 Swedish clubs and associations received SEK 30,000 from 'The 30/30-fund', a CSR project founded by Unibet and Henrik Lundqvist to reward sports associations all around Sweden for equality, fair play and sportsmanship. The 30 winners from across the country represent a wide variety of sports associations: from ice hockey, handball and gymnastics to rugby, tennis, canoe polo and capoeira.

In France, the control tool app BettorTime has been launched on Android and marketed to French customers. Kindred has also actively taken part in accelerating the introduction of a national code of conduct to manage current sports betting marketing campaigns across the country.

In early October, Kindred's Head of Responsible Gaming and Research, Maris Catania, together with Professor Mark Griffiths, published the study "Applying the DSM-5 Criteria for Gambling Disorder to Online Gambling Account-Based Tracking Data: An Empirical Study Utilizing Cluster Analysis" in the Journal of Gambling Studies.

On 5 October, Kindred hosted the annual Sustainable Gambling Conference with over 800 registered participants and 25 expert speakers from inside and outside of the industry. Kindred sees great benefit in having experts, regulators, industry peers, investors, media representatives, researchers, and others discussing the key theme "safer gambling: a shared responsibility".

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 Report and Accounts for the year ended 31 December 2020.

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

From the fourth quarter of 2021, the following changes to the presentation of financial metrics will be made:

- The definition of underlying EBITDA will be updated to exclude the foreign currency gain/(loss) on operating items to enhance comparability between quarters. The Group operates internationally and its results are therefore naturally impacted by currency fluctuations, which can be volatile between quarters.
- Following the acquisition of Relax Gaming, a B2B business, on 1 October 2021, the Group will disclose revenues from both its existing B2C business and the newly acquired B2B operations in one single line item, "Revenue", on the face of the consolidated income statement from the fourth quarter of 2021.

Employees

The Kindred Group had 1,746 (1,628) employees at 30 September 2021, compared with 1,672 employees at 30 June 2021. The number of consultants amounted to 159 (114) at 30 September 2021.

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 25 to 27 and pages 70 to 71 of the Annual Report and Accounts for the year ended 31 December 2020 available from www.kindredgroup.com.

Next AGM and Nomination Committee

The 2022 Annual General Meeting of Kindred Group plc will be held on 13 May 2022 in Stockholm. In view of the scheduled date for publishing the Notice of the Annual General Meeting, proposals have to be received by the Company and the Nomination Committee no later than 2 March 2022 in order to have sufficient time for including them in the Notice and the meeting's agenda. The Nomination Committee for the 2022 AGM consists of Thomas Gür, Verolda (chairperson), Peter Lundkvist, Tredje AP-fonden, Erik Sprinchorn, TIN Fonder, Helena Hagberg, Skandia and Evert Carlsson, chairman of the Board of Directors (co-opted member). The nomination committee can be contacted at the following address: Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta, or by email to: nomination@kindredgroup.com.

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

Malta, 27 October 2021

Henrik Tjärnström
CEO

Kindred Group plc

Registered in Malta. Company number C 39017.

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

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

The information in this report is such that Kindred Group plc is required to disclose under the EU Regulation of Market Abuse, MAR.

This document is the English original. In the event of any discrepancy between the original English document and the Swedish translation, the English original shall prevail.



Report on review of interim financial information

To the Directors of Kindred Group plc

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Kindred Group plc and its subsidiaries (the 'Group') as at 30 September 2021 and the related condensed consolidated income statement, statement of comprehensive income, cash flow statement and statement of changes in equity for the nine-month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

78 Mill Street, Zone 5
Central Business District
Qormi
Malta

Simon Flynn
Partner

27 October 2021

Condensed consolidated income statement

GBP m	Q3		Jan-Sep		Full year 2020
	2021	2020	2021	2020	
Continuing operations:					
Gross winnings revenue	298.4	280.7	1,014.7	765.5	1,130.2
Betting duties	-50.5	-57.5	-196.8	-155.6	-231.0
Marketing revenue share	-12.4	-12.8	-41.4	-38.1	-53.6
Other cost of sales	-50.5	-47.4	-160.3	-128.2	-180.4
Cost of sales	-113.4	-117.7	-398.5	-321.9	-465.0
Gross profit	185.0	163.0	616.2	443.6	665.2
Marketing costs	-55.1	-46.1	-175.6	-142.7	-203.6
Salaries	-28.4	-26.3	-86.4	-82.5	-109.7
Other operating expenses	-16.7	-14.8	-49.7	-48.4	-63.7
Depreciation of property, plant and equipment	-3.8	-3.8	-11.0	-11.3	-15.1
Depreciation of right-of-use assets	-2.7	-2.9	-8.1	-8.4	-11.3
Amortisation of intangible assets (excluding assets that arose on acquisition)	-4.9	-6.0	-14.5	-18.8	-24.3
Amortisation of intangible assets that arose on acquisition	-0.3	-0.1	-0.8	-2.9	-3.0
Accelerated amortisation of intangible assets that arose on acquisition	-	-	-	-6.9	-6.9
Impairment losses recognised in the period	-	-	-	-3.9	-7.8
Total administrative expenses ¹	-56.8	-53.9	-170.5	-183.1	-241.8
Underlying profit before items affecting comparability¹	73.1	63.0	270.1	117.8	219.8
Management incentive costs relating to acquisitions	-	-0.1	-0.2	-0.3	-0.4
Personnel restructuring costs	-	-0.3	-0.5	-2.2	-4.2
Merger and acquisition costs	-0.1	-	-3.8	-	-
Disputed regulatory sanction	-	-	4.2	-8.0	-8.0
Foreign currency loss on operating items	-0.6	-1.2	-8.0	-1.2	-1.4
Profit from operations	72.4	61.4	261.8	106.1	205.8
Finance costs	-1.3	-1.4	-4.1	-4.8	-6.2
Finance income	0.1	0.1	0.4	0.3	0.4
Foreign currency gain/(loss) on borrowings	-	0.3	-	-8.3	-8.7
Share of profit from associate	0.6	0.3	1.5	1.1	1.8
Profit before tax	71.8	60.7	259.6	94.4	193.1
Income tax expense	-11.2	-8.2	-39.3	-14.1	-27.9
Profit after tax	60.6	52.5	220.3	80.3	165.2
Earnings per share (GBP)	0.27	0.23	0.97	0.35	0.73
Weighted average number of outstanding shares	226,410,926	227,138,201	226,865,728	226,979,767	227,023,775
Diluted earnings per share (GBP)	0.27	0.23	0.96	0.35	0.72
Weighted average number of diluted outstanding shares	227,466,870	229,052,792	228,393,908	229,088,342	229,084,006

¹ Certain line items previously recognised within items affecting comparability have been moved into administrative expenses during the first quarter of 2021, to better reflect the nature of the costs. This has impacted both total administrative expenses and underlying profit before items affecting comparability and the relevant comparatives have been restated accordingly.

Condensed consolidated statement of comprehensive income

GBP m	Q3		Jan-Sep		Full year 2020
	2021	2020	2021	2020	
Profit after tax	60.6	52.5	220.3	80.3	165.2
Other comprehensive income					
Currency translation adjustments taken to equity	1.1	-0.5	-1.5	11.7	9.2
Total comprehensive income for the period	61.7	52.0	218.8	92.0	174.4

Condensed consolidated balance sheet

GBP m	30 Sep 2021	30 Sep 2020	31 Dec 2020
Assets			
Non-current assets			
Goodwill	279.2	276.8	273.9
Other intangible assets	174.7	150.0	148.7
Investment in associate	5.1	2.9	3.6
Property, plant and equipment	24.8	29.8	28.4
Right-of-use assets	49.9	57.5	61.3
Deferred tax assets	26.6	25.8	28.4
Convertible bond	6.5	6.9	6.9
Other non-current assets	3.0	2.3	2.3
	569.8	552.0	553.5
Current assets			
Trade and other receivables	69.0	50.8	46.9
Taxation recoverable	96.9	40.9	91.4
Cash and cash equivalents	409.0	207.8	300.5
	574.9	299.5	438.8
Total assets	1,144.7	851.5	992.3
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	15.7	19.7	17.2
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	496.8	270.8	356.2
Total equity attributable to the owners	551.2	329.2	412.1
Non-current liabilities			
Borrowings	-	134.8	118.3
Lease liabilities	39.5	46.1	50.2
Provisions ¹	2.4	0.5	0.6
Deferred tax liabilities	12.8	7.1	5.3
	54.7	188.5	174.4
Current liabilities			
Borrowings	114.4	-	-
Lease liabilities	11.4	12.3	12.1
Trade and other payables ¹	169.9	157.9	162.1
Provisions ¹	15.0	20.5	21.2
Customer balances	80.5	75.2	77.5
Deferred income	5.4	7.0	5.4
Tax liabilities	142.2	60.9	127.5
	538.8	333.8	405.8
Total liabilities	593.5	522.3	580.2
Total equity and liabilities	1,144.7	851.5	992.3

¹ From the first quarter of 2021, provisions have been separated from trade and other payables to be in line with requirements of IFRS. 2020 comparatives have been updated to reflect this change.

Condensed consolidated statement of changes in equity

GBP m	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Opening balance at beginning of period	516.7	276.2	412.1	234.0	234.0
Comprehensive income					
Profit for the period	60.6	52.5	220.3	80.3	165.2
Other comprehensive income:					
Translation adjustment	1.1	-0.5	-1.5	11.7	9.2
Total comprehensive income	61.7	52.0	218.8	92.0	174.4
Transactions with owners					
Share awards - value of employee services	0.7	-1.1	-0.8	0.1	0.2
Equity-settled employee benefit plan	-7.7	0.4	-6.9	1.4	1.8
Treasury share purchases	-28.7	-	-44.9	-	-
Disposal of treasury shares	8.5	1.7	10.4	1.7	1.7
Dividend paid	-	-	-37.5	-	-
Total transactions with owners	-27.2	1.0	-79.7	3.2	3.7
Closing balance at end of period	551.2	329.2	551.2	329.2	412.1

Condensed consolidated cash flow statement

GBP m	Q3		Jan-Sep		Full year 2020
	2021	2020	2021	2020	
Operating activities					
Profit from operations	72.4	61.4	261.8	106.1	205.8
Adjustments for:					
Depreciation of property, plant and equipment	3.8	3.8	11.0	11.3	15.1
Depreciation of right-of-use assets	2.7	2.9	8.1	8.4	11.3
Amortisation of intangible assets	5.2	6.1	15.3	28.6	34.2
Impairment losses recognised in the period	-	-	-	3.9	7.8
Loss on disposal of intangible assets	-	-	-	0.2	0.2
FX gain on dividend	-	-	0.1	-	-
Share-based payments	0.7	0.6	1.1	1.8	1.9
Equity-settled employee benefit plan	0.8	0.4	1.6	1.4	1.8
Operating cash flows before movements in working capital	85.6	75.2	299.0	161.7	278.1
(Increase)/decrease in trade and other receivables	-9.1	1.3	-21.7	-5.2	-1.3
(Decrease)/increase in trade and other payables, including customer balances and provisions	-1.5	0.2	13.7	42.9	51.0
Cash flows from operating activities	75.0	76.7	291.0	199.4	327.8
Net income taxes paid	-4.7	-3.9	-21.9	-7.2	-11.7
Net cash generated from operating activities	70.3	72.8	269.1	192.2	316.1
Investing activities					
Acquisition of subsidiary, net of cash acquired	-	-	-25.6	-	-
Interest received	-	-	0.2	0.4	0.4
Purchases of property, plant and equipment	-2.3	-0.3	-7.9	-3.1	-5.2
Development and acquisition costs of intangible assets	-11.8	-4.9	-25.7	-15.7	-20.7
Net cash used in investing activities	-14.1	-5.2	-59.0	-18.4	-25.5
Financing activities					
Interest paid	-0.9	-0.8	-2.7	-3.7	-4.9
Interest paid on lease liabilities	-0.3	-0.3	-1.0	-0.9	-1.3
Repayment of lease liabilities	-2.9	-2.6	-8.1	-8.4	-11.3
Dividend paid	-	-	-37.5	-	-
Treasury share purchases	-28.7	-	-44.9	-	-
Proceeds from borrowings	-	-	20.0	-	-
Repayment of borrowings	-	-28.6	-20.0	-98.1	-115.1
Net cash used in financing activities	-32.8	-32.3	-94.2	-111.1	-132.6
Net increase in cash and cash equivalents	23.4	35.3	115.9	62.7	158.0
Cash and cash equivalents at beginning of period	384.4	172.8	300.5	137.8	137.8
Effect of foreign exchange rate changes	1.2	-0.3	-7.4	7.3	4.7
Cash and cash equivalents at end of period	409.0	207.8	409.0	207.8	300.5

Notes to the condensed consolidated interim financial statements

1: General information

Kindred Group plc ('the Company') and its subsidiaries (together, 'the Group') is an online gambling business with almost 31.4 million registered customers worldwide as at 30 September 2021 and is one of the largest publicly quoted online gambling operators in the European market.

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

The Company is only listed on the NASDAQ Stockholm.

This condensed consolidated interim financial information was approved for issue on 27 October 2021.

2: Basis of preparation

This condensed consolidated interim financial information for the nine-month period ended 30 September 2021 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements (Annual Report and Accounts) for the year ended 31 December 2020.

The next annual financial statements will be prepared in accordance with IFRS as adopted by the European Union and drawn up to the year ending 31 December 2021.

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

The Group has a solid financial position with strong liquidity and low leverage and at the end of the third quarter of 2021, it complied with all covenant requirements under the facilities agreement. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, the Relax Gaming acquisition and the Group's temporary withdrawal from the Dutch market, show that the Group is able to operate within the level of its current facilities whilst continuing to comply with all of its covenants.

3: Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020, except for:

- Certain amendments or interpretations to standards effective from 1 January 2021 and implemented during the period, which did not have a material effect on these condensed consolidated interim financial statements.

IFRS 13 requires management to identify a three-level hierarchy of financial assets and liabilities at fair value. The financial assets at fair value are immaterial and financial liabilities at fair value have been measured using inputs based on unobservable market data (defined as level three by IFRS 13). The financial liabilities at fair value through profit and loss consist of deferred income relating to unsettled bets as at the balance sheet date. The fair value amount of the deferred income as at 30 September 2021 and 31 December 2020 is reported in the condensed consolidated balance sheet on page 21. A reasonable change in assumptions would not give rise to a material change in value.

4: Items affecting comparability

The Group defines items affecting comparability as those items which, by their size or nature in relation to both the Group and individual segments, should be separately disclosed in order to give a full understanding of the Group's underlying financial performance, and aid comparability of the Group's results between periods. Refer to page 11 for more information.

5: Operating segments

Reconciliation of segment revenues to profit from operations

Nine months ended 30 Sep 2021

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

Nine months ended 30 Sep 2020

GBP m	Western Europe	Nordic Region	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue	467.1	192.9	68.5	37.0	765.5
Cost of sales	-203.9	-67.2	-27.4	-23.4	-321.9
Gross profit	263.2	125.7	41.1	13.6	443.6
Marketing costs					-142.7
Total administrative expenses ¹					-183.1
Items affecting comparability ¹					-11.7
Profit from operations					106.1

¹ Certain line items previously recognised within items affecting comparability have been moved into administrative expenses during the first quarter of 2021, to better reflect the nature of the costs. The relevant comparatives have been restated accordingly.

Product revenues by principal product groups

GBP m	Nine months ended 30 Sep 2021	Nine months ended 30 Sep 2020
Sports betting	446.1	310.9
Casino & games	521.4	408.3
Poker	23.6	24.0
Other	23.6	22.3
Total Gross winnings revenue	1,014.7	765.5

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

Nine months ended 30 Sep 2021

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

Nine months ended 30 Sep 2020

GBP m	Goodwill	Other intangible assets	Property, plant & equipment	Right-of-use assets
Opening net book amount 1 Jan 2020	275.3	159.7	36.6	64.1
Additions	-	15.7	3.1	-
Disposals	-	-0.2	-	-
Remeasurement of right-of-use assets	-	-	-	-0.7
Currency translation adjustment	5.4	3.4	1.4	2.5
Amortisation / depreciation	-3.9	-28.6	-11.3	-8.4
Closing net book amount at 30 Sep 2020	276.8	150.0	29.8	57.5

7: Convertible bond

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

8: Share capital and share premium

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

GBP m	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 Jan 2020	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
At 30 Sep 2020	230.1	0.1	81.5	81.6

9: Borrowings

GBP m	30 Sep 2021	30 Sep 2020
Non-current	-	134.8
Current	114.4	-
Total	114.4	134.8

Movements in borrowings are analysed as follows:

GBP m	Borrowings
Opening balance 1 Jan 2021	118.3
Transaction fees	0.3
Drawdown of borrowings	20.0
Repayment of borrowings	-20.0
Translation gain on borrowings	-4.2
At 30 Sep 2021	114.4
Opening balance 1 Jan 2020	225.4
Transaction fees	-0.8
Drawdown of borrowings	-
Repayment of borrowings	-98.1
Translation loss on borrowings	8.3
At 30 Sep 2020	134.8

For more information on the Group's borrowings and associated facilities agreement, please see page 12.

10: Dividend

A dividend of GBP 0.33 (equivalent to SEK 3.89 using exchange rates from 8 May 2021 and payable in SEK) per ordinary share/SDR was approved at the AGM on 12 May 2021. In order to facilitate more efficient cash management, it was decided that the dividend was to be paid in two equal instalments. The first instalment of GBP 37.5 million was paid on 20 May 2021, and the second instalment will be paid on 18 November 2021.

11: Related party transactions

As at 30 September 2021 Kindred Group plc had a 33.38 per cent interest in its associate, Relax Holding Limited. Relax Holding Limited and its subsidiaries are therefore considered to be related parties of Kindred Group plc. The Relax Gaming Group provides certain brands within the Kindred Group with B2B online gaming services, being the supply of its casino, bingo and poker product as well as some related development. During the period ended 30 September 2021, the following related party transactions were entered into with the Relax Gaming Group:

Various subsidiaries of Kindred Group plc received services from subsidiaries of Relax Holding Limited. The total amount of services procured amounted to GBP 6,824,232 (6,894,725). At 30 September 2021, the remaining balance owed by the Group was GBP nil (nil).

Following the acquisition of Relax Holding Limited on 1 October 2021, the Relax Gaming Group will be consolidated within the Kindred Group's financial statements from this date and will therefore no longer be considered an associate.

Other related party transactions during the period ended 30 September 2021 totalled GBP 6,295 (45,434). This relates to marketing services provided by Football United International Limited, a company in which one of the Kindred Group's board members, who served during the year, has an interest. The balance due to Football United International Limited was GBP nil (nil) as at 30 September 2021.

12: Contingent liabilities

Currently the Group has not provided for certain potential claims arising from the promotion of gaming activities in certain jurisdictions. Based on current legal advice, the Directors do not anticipate that the outcome of the proceedings and potential claims, if any, will have a material adverse effect upon the Group's financial position. Further details can be found in the General Legal Environment section of the 2020 Annual Report and Accounts, on pages 43 to 45.

13: Business combinations

Blankenberge Casino-Kursaal NV

On 1 April 2021, the Kindred Group acquired 100 per cent of the issued share capital of Blankenberge Casino-Kursaal NV ("Blancas NV"), which operates Casino Blankeberge in Belgium, from the Rank Group Plc (an unrelated third party). Blancas NV is the licence holder and operator of Casino Blankenberge, which is one of the nine land-based casinos operating in Belgium. Blancas NV recently successfully renewed its casino licences with the Belgian Gaming Commission as well as the concession agreement with the city of Blankenberge for a 15-year period which started in January 2021. The acquisition will solidify Kindred's long-term operations and commitments in Belgium and will allow Kindred to continue to offer an attractive offering to Belgian customers.

In line with relevant accounting standards, the figures outlined below are considered provisional. The total acquisition price was GBP 25.6 million on a cash free and debt free basis and was settled in cash. Kindred has provisionally fair valued the net assets of Blancas NV at the acquisition date, including the concession agreement which has been provisionally valued at GBP 17.3 million, and as a result provisional goodwill of GBP 9.6 million has been recognised on the consolidated balance sheet. Since the acquisition date Blancas NV has contributed GBP 0.4 million of underlying EBITDA.

The balance sheet of Blancas NV at the date of acquisition is set out below:

GBP m	Carrying values pre-acquisition	Provisional fair value
Intangible assets	0.9	17.3
Property, plant and equipment	0.5	0.5
Other non-current assets	0.9	0.9
Trade and other receivables	0.8	0.8
Cash and cash equivalents	5.5	5.5
Trade and other payables	-2.3	-2.3
Customer balances	-0.1	-0.1
Provisions	-0.2	-1.1
Net assets acquired	N/A	21.5
Provisional goodwill	N/A	9.6
Consideration	N/A	31.1

Goodwill represents the result of expected synergies from combining operations of the acquire and the acquirer. Intangible assets represent immediate access to the Blancas NV concession agreement, which represents one of the key differences between the pre-acquisition carrying values and the subsequent provisional fair values in the table above.

14: Events after the reporting period

Acquisition of Relax Gaming Limited

On 1 October 2021, Kindred completed the acquisition of the remaining outstanding shares in Relax Gaming, a leading and rapidly growing B2B iGaming supplier. Kindred has been invested in Relax Gaming since 2013 and the transaction has meant that Kindred has acquired the remaining 66.6 per cent of the outstanding shares.

The transaction values Relax Gaming at up to EUR 320 million on a cash and debt free basis (enterprise value) and the total value of the outstanding shares at approximately EUR 295 million (equity value). The initial consideration for the remaining outstanding share of approximately EUR 80 million (on a cash and debt free basis) has been settled in cash on the acquisition date. In addition to the initial consideration, the maximum earn-out payments that may become payable in 2022 and 2023 subject to Relax Gaming achieving certain earnings thresholds, amount to EUR 113 million (of which EUR 63 million is non-current). The transaction will be financed through Kindred's existing cash and credit facilities.

As a result of the timing of the acquisition, the initial accounting for the business combination is incomplete at the time this interim report was authorised for issue. Details around the carrying values and provisional fair values are yet to be determined and as a result have not been disclosed within this report.

Appendix

Alternative performance measures

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

The below table reconciles the Group's alternative performance measures relating to the condensed consolidated balance sheet to the most directly comparable measures reported in accordance with IFRS. Refer to page 10 for a corresponding reconciliation of EBITDA and underlying EBITDA, and page 13 for a corresponding reconciliation of free cash flow.

Condensed consolidated balance sheet measures

GBP m	30 Sep 2021	30 Sep 2020	31 Dec 2020
Cash and cash equivalents	409.0	207.8	300.5
Customer balances	-80.5	-75.2	-77.5
Unrestricted cash	328.5	132.6	223.0
Less: Borrowings	-114.4	-134.8	-118.3
Net cash/(net debt)	214.1	-2.2	104.7

Key ratios

	Q3		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Operating margin (%)	24%	22%	26%	14%	18%
Return on total assets (%)	11%	6%	20%	10%	18%
Return on average equity, annualised (%)	54%	81%	69%	50%	64%
Equity:assets ratio (%)	48%	39%	48%	39%	42%
EBITDA margin (%)	28%	26%	29%	21%	24%
Unrestricted cash / EBITDA, rolling 12-month basis	0.80	0.70	0.80	0.70	0.81
Net cash/(net debt) / EBITDA, rolling 12-month basis	0.52	-0.01	0.52	-0.01	0.38
Employees at period end	1,746	1,628	1,746	1,628	1,564
Gross cash per share (GBP)	1.78	0.90	1.78	0.90	1.31
Net cash/(net debt) per share (GBP)	0.93	-0.01	0.93	-0.01	0.45
Operating cash flow before movements in working capital per share (GBP)	0.38	0.33	1.32	0.71	1.22
Cash conversion (%)	61%	80%	75%	93%	93%
Earnings per share (GBP)	0.27	0.23	0.97	0.35	0.73
Diluted earnings per share (GBP)	0.27	0.23	0.96	0.35	0.72
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	231,177,382	231,936,059	231,177,382	231,936,059	232,089,717
Weighted average number of outstanding shares	226,410,926	227,138,201	226,865,728	226,979,767	227,023,775
Weighted average number of diluted outstanding	227,466,870	229,052,792	228,393,908	229,088,342	229,084,006

¹ As at 30 September 2021 the total issued shares were 230,126,200. Of these, 5,084,839 shares are held by the Group as a result of previous repurchase programmes.

FX rates and constant currency impact

Balance sheet rates:	30 Sep	30 Sep	YoY Delta
Rate to GBP	2021	2020	
AUD	1.870	1.802	-3.8%
DKK	8.641	8.162	-5.9%
EUR	1.162	1.096	-6.0%
NOK	11.812	12.167	2.9%
SEK	11.816	11.587	-2.0%
USD	1.346	1.283	-4.9%

Income statement averages for the quarter:	Avg Q3 2021	Avg Q3 2020	YoY Delta
Rate to GBP			
AUD	1.876	1.806	-3.9%
DKK	8.695	8.227	-5.7%
EUR	1.169	1.105	-5.8%
NOK	12.075	11.791	-2.4%
SEK	11.920	11.452	-4.1%
USD	1.378	1.292	-6.7%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the third quarter of 2021 is as follows:

GBP m	Q3
	2021
Gross winnings revenue	-13.8
Cost of sales	8.4
Foreign currency loss on operating items	-0.6
EBITDA	-6.0
Other items below EBITDA	0.3
Profit after tax	-5.7

Non-Statutory Analysis of Gross Winnings Revenue

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	2021				2020			2021 YTD	2020 YTD	2020 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	77.6	119.4	114.2	122.6	80.3	43.1	84.1	311.2	207.5	330.1
Nordics	23.7	31.9	28.1	33.0	24.4	13.9	24.5	83.7	62.8	95.8
Central, Eastern and Southern Europe	8.5	11.1	11.0	13.1	10.2	5.7	10.1	30.6	26.0	39.1
Other	6.1	8.1	6.4	8.5	6.0	4.8	3.8	20.6	14.6	23.1
Total	115.9	170.5	159.7	177.2	120.9	67.5	122.5	446.1	310.9	488.1
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	-3%	177%	36%	63%	8%	-42%	11%	50%	-8%	10%
Nordics	-3%	129%	15%	53%	10%	-42%	28%	33%	-4%	10%
Central, Eastern and Southern Europe	-17%	95%	9%	34%	2%	-35%	22%	18%	-4%	6%
Other	2%	69%	68%	98%	122%	153%	23%	41%	90%	93%
Total	-4%	153%	30%	60%	11%	-38%	15%	43%	-4%	12%

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION	2021				2020			2021 YTD	2020 YTD	2020 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	112.0	125.6	126.7	115.7	93.0	97.8	68.8	364.3	259.6	375.3
Nordics	46.1	43.5	39.7	42.3	41.6	45.8	42.7	129.3	130.1	172.4
Central, Eastern and Southern Europe	17.1	17.2	18.0	20.2	15.2	15.6	11.7	52.3	42.5	62.7
Other	7.3	6.9	8.5	9.3	10.0	8.4	4.0	22.7	22.4	31.7
Total	182.5	193.2	192.9	187.5	159.8	167.6	127.2	568.6	454.6	642.1
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	20%	28%	84%	65%	54%	59%	9%	40%	40%	47%
Nordics	11%	-5%	-7%	2%	-6%	6%	0%	-1%	0%	0%
Central, Eastern and Southern Europe	13%	10%	54%	73%	52%	50%	17%	23%	40%	49%
Other	-27%	-18%	113%	288%	456%	367%	135%	1%	323%	312%
Total	14%	15%	52%	49%	37%	43%	8%	25%	29%	35%

TOTAL BY REGION	2021				2020			2021 YTD	2020 YTD	2020 FY
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)										
Western Europe	189.6	245.0	240.9	238.3	173.3	140.9	152.9	675.5	467.1	705.4
Nordics	69.8	75.4	67.8	75.3	66.0	59.7	67.2	213.0	192.9	268.2
Central, Eastern and Southern Europe	25.6	28.3	29.0	33.3	25.4	21.3	21.8	82.9	68.5	101.8
Other	13.4	15.0	14.9	17.8	16.0	13.2	7.8	43.3	37.0	54.8
Total	298.4	363.7	352.6	364.7	280.7	235.1	249.7	1,014.7	765.5	1,130.2
Share of total (%)										
Western Europe	64%	67%	69%	65%	62%	60%	61%	67%	61%	62%
Nordics	23%	21%	19%	21%	23%	25%	27%	21%	25%	24%
Central, Eastern and Southern Europe	9%	8%	8%	9%	9%	9%	9%	8%	9%	9%
Other	4%	4%	4%	5%	6%	6%	3%	4%	5%	5%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	9%	74%	58%	64%	28%	4%	10%	45%	14%	27%
Nordics	6%	26%	1%	20%	-1%	-11%	9%	10%	-1%	4%
Central, Eastern and Southern Europe	1%	33%	33%	55%	27%	11%	19%	21%	19%	29%
Other	-16%	14%	91%	166%	256%	257%	63%	17%	185%	178%
Total	6%	55%	41%	54%	24%	4%	11%	33%	13%	24%

Non-Statutory Analysis of Gross Winnings Revenue

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	2021				2020			2021	2020	2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
Gross winnings revenue (GBP m)										
Sports betting	115.9	170.5	159.7	177.2	120.9	67.5	122.5	446.1	310.9	488.1
Casino & games	168.3	177.2	175.9	170.7	145.0	150.4	112.9	521.4	408.3	579.0
Poker	6.9	7.5	9.2	8.9	6.8	9.7	7.5	23.6	24.0	32.9
Other	7.3	8.5	7.8	7.9	8.0	7.5	6.8	23.6	22.3	30.2
Total	298.4	363.7	352.6	364.7	280.7	235.1	249.7	1,014.7	765.5	1,130.2
Share of total (%)										
Sports betting	39%	47%	45%	49%	43%	29%	49%	44%	41%	43%
Casino & games	57%	49%	50%	47%	52%	64%	45%	52%	53%	51%
Poker	2%	2%	3%	2%	2%	4%	3%	2%	3%	3%
Other	2%	2%	2%	2%	3%	3%	3%	2%	3%	3%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Sports betting	-4%	153%	30%	60%	11%	-38%	15%	43%	-4%	12%
Casino & games	16%	18%	56%	52%	38%	42%	6%	28%	29%	35%
Poker	1%	-23%	23%	53%	31%	111%	32%	-2%	55%	54%
Other	-9%	13%	15%	7%	19%	6%	24%	6%	16%	13%
Total	6%	55%	41%	54%	24%	4%	11%	33%	13%	24%

Sports betting margins

	2021				2020			2021	2020	2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
Sports betting stakes (GBP m)	1,334.9	1,594.3	1,707.2	1,771.4	1,476.1	780.2	1,143.4	4,636.4	3,399.7	5,171.1
Sports betting Gross winnings										
Live betting (GBP m)	64.9	82.3	79.1	89.7	71.2	33.5	58.6	226.3	163.3	253.0
Live betting margin (%)	9.0%	10.1%	9.1%	9.7%	9.1%	7.3%	8.9%	9.6%	8.2%	8.9%
Live betting share (%)	47.9%	42.0%	42.8%	44.3%	50.2%	43.3%	42.2%	43.8%	45.6%	45.1%
Pre-game betting (GBP m)	70.5	113.6	105.8	112.7	70.5	43.8	80.4	289.9	194.7	307.4
Pre-game betting margin (%)	11.5%	14.6%	12.7%	13.4%	10.1%	13.7%	16.6%	13.6%	15.5%	13.1%
Pre-game betting share (%)	52.1%	58.0%	57.2%	55.7%	49.8%	56.7%	57.8%	56.2%	54.4%	54.9%
Total before free bets (GBP m)	135.4	195.9	184.9	202.4	141.7	77.3	139.0	516.2	358.0	560.4
Sports betting margin - before free bets (%)	10.1%	12.3%	10.8%	11.4%	9.6%	9.9%	12.2%	11.1%	10.5%	10.8%
Free bets (GBP m)	-19.5	-25.4	-25.2	-25.2	-20.8	-9.8	-16.5	-70.1	-47.1	-72.3
Total after free bets (GBP m)	115.9	170.5	159.7	177.2	120.9	67.5	122.5	446.1	310.9	488.1
Sports betting margin - after free bets (%)	8.7%	10.7%	9.4%	10.0%	8.2%	8.7%	10.7%	9.6%	9.1%	9.4%

Total margin across all product segments

	2021				2020			2021	2020	2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	YTD	YTD	FY
Total margin all product segments - before free bets (%) ¹	4.8%	5.3%	4.8%	5.2%	4.7%	4.2%	5.3%	5.1%	4.7%	4.9%

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

Definitions

Cash conversion: Free cash flow divided by underlying EBITDA.

EBITDA: Profit from operations before depreciation and amortisation.

Gross cash per share: Total cash divided by the number of shares at the period end.

Gross win: Gross winnings revenue before bonuses and other small adjustments.

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.

Net cash/(net debt) per share: Total borrowings less unrestricted cash divided by the number of shares at the period end.

Operating margin: Profit from operations divided by Gross winnings revenue.

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

Return on total assets: Profit after tax divided by the average of opening and closing assets for the period.

Underlying EBITDA: EBITDA before management incentive costs relating to acquisitions, personnel restructuring costs, merger and acquisition costs and disputed regulatory sanction.

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

Presentation of the interim report

Today, Wednesday 27 October 2021, Kindred Group's CEO Henrik Tjärnström will host a web presentation in English at 09.00 (CEST) which will be web casted live on www.kindredgroup.com/Q32021. For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are:

- Sweden: +46 8 5055 8374
- UK: +44 33 3300 9032
- USA: +1 646 7224 902

Contact details

Patrick Kortman, Head of Corporate Development & Investor Relations, +46 723 877 438

Linda Lyth, Investor Relations Manager, +46 767 681 337

ir@kindredgroup.com

Forthcoming financial reporting timetable

Full year report 2021	9 February 2022
Interim report January – March 2022	28 April 2022
Interim report January – June 2022	27 July 2022
Interim report January – September 2022	28 October 2022