

## Kindred Group plc

Interim report January – June 2018 (unaudited)

### Second quarter and first half year highlights

- **Gross winnings revenue amounted to GBP 219.0 (166.6) million for the second quarter of 2018, an increase of 31 per cent, and GBP 426.8 (319.8) million for the first half of 2018.**
- **Underlying EBITDA for the second quarter of 2018 was GBP 41.7 (33.4) million, and GBP 89.2 (63.7) million for the first half of 2018.**
- **Gross winnings revenue contribution from 32Red for the second quarter of 2018 was GBP 16.9 million and underlying EBITDA was GBP 0.7 million.**
- **Profit before tax for the second quarter of 2018 amounted to GBP 28.9 (22.9) million, and GBP 62.5 (41.1) million for the first half of 2018.**
- **Profit after tax for the second quarter of 2018 amounted to GBP 25.5 (20.4) million and GBP 55.4 (36.7) million for the first half of 2018.**
- **Earnings per share for the second quarter of 2018 were GBP 0.112 (0.090) and GBP 0.244 (0.161) for the first half of 2018.**
- **Underlying earnings per share for the second quarter of 2018 were GBP 0.118 (0.103) and GBP 0.258 (0.188) for the first half of 2018.**
- **Number of active customers during the quarter was 1,550,508 (1,171,166).**

### “Gross winnings revenue up 31 per cent and all-time high in active customers”

“The World Cup provided a significant all-time high in customer activity and continued strong organic growth, and unexpected results led to a sportsbook margin of 8.2 per cent after free bets.”

“Gross winnings revenue increased 24 per cent organically and in constant currencies which means that we are continuing to gain market share. Gross winnings revenue from mobile grew by 29 per cent compared to the second quarter last year and amounted to 72 per cent of our total Gross winnings revenue. Of the Group’s Gross winnings revenue 43 per cent came from locally regulated markets.”

“Our underlying EBITDA grew by 25 per cent compared to the same period last year (+27 per cent organic and in constant currencies).”

“In the period up to 22 July 2018, average daily Gross winnings revenue in GBP was 29 per cent higher compared to the same period in 2017. Adjusting for the impact of exchange rate changes, the growth was 30 per cent,” says Henrik Tjärnström, CEO of Kindred Group.

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Today, Wednesday 25 July 2018, Kindred Group’s CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Tändstickspalatset, Västra Trädgårdsgatan 15, in Stockholm at 9.00 CEST.

Please go to [financialhearings.com](http://financialhearings.com) to sign in. The presentation is also webcast live on [www.kindredgroup.com](http://www.kindredgroup.com). For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 20 3008 9818 or USA: +1 855 753 2237.

The Kindred Group companies hold local gambling licences in UK, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia. The Kindred Group also holds international gambling licences in Malta and Gibraltar. The Kindred Group pays betting duties in all markets in accordance with applicable local laws.

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



### Significant events during the second quarter of 2018

In April 2018, Kindred Group signed a Memorandum of Understanding with FIFA. Under this agreement, Kindred Group will notify FIFA of any suspicious betting on matches they organise. For Kindred Group, this is another testament of our focus on cooperation between all relevant stakeholders in order to mitigate the risk on betting-related match-fixing, and of our 'See Something, Say Something' policy.

On 5 April 2018, the Swedish government presented their proposal to the Swedish parliament on a new licensing system for Sweden and the proposal got the parliament's approval on 7 June 2018. Kindred Group welcomes this long-awaited change.

On 18 April 2018, Kindred Group's legal and compliance team were awarded the Data Protection Officer of the Year, Head of Risk and Most Significant Contribution to Responsible Gambling Research awards, at the 2018 Gambling Regulatory Awards hosted by Gambling Compliance.

On 22 May 2018, Kindred Group paid out a dividend of GBP 125.6 million.

On 12 June 2018, a Unibet customer in Belgium won over EUR 4.2 million on the Mega Fortune Dreams jackpot.

On 20 June 2018, the Gambling Commission in Great Britain fined Kindred's brand 32Red GBP 2 million for failing to protect a customer. This relates to a case prior to acquisition in June last year.

On 28 June, Kindred Group signed an agreement with Svensk Elitfotboll to become the new main sponsor of Swedish Allsvenskan and Superettan, via the Unibet brand. The partnership, with a total duration of 12 years, will begin on 1 January, 2020 and is worth SEK 1.8 billion.

During the quarter, Kindred's brand 32Red has signed shirt sponsoring agreements with Middlesbrough, Derby County, Preston North End and Glasgow Rangers.

### Significant events after the period end

From 1 July 2018, Kindred's brand Unibet is the official online betting partner of the French Ligue 1 football team Paris Saint-Germain.

### Market

The Kindred Group is one of Europe's leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Group offers pre-game and live Sports betting, Racing, Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group's core markets are in Europe and Australia, it addresses global markets excluding only territories that it has consistently blocked for legal reasons. The Kindred Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

### Current products

#### Sports betting

The Kindred Group's pre-game sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base (excluding restricted markets as described above) 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile apps.

The Group offered 50,563 live betting events in the second quarter of 2018 and streamed 12,775 events on desktop and mobile devices.

The majority of the Kindred Group's business is determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely,



due to the volatility of Gross winnings margins in sports betting. Please also refer to page 5 for more information about the margin.

### Casino & Games

The Kindred Group's casino product covers a wide range of suppliers and a diverse content library. The aim is to provide relevant content for different markets and brands, both using off the shelf content as well as the Group's own exclusive titles. Kindred has, during the quarter, updated the casino lobby on desktop and mobile as well as introduced personalised game recommendations.

### Poker

The Kindred Group's poker product is the fastest growing licensed poker network in the industry. This quarter, Kindred continued its Unibet Open live poker series, on the sunny island of Malta with over 1,000 entrants. Complimenting the live series, a second edition of the "Unibet Online Series" was completed, with a total of 25,000 entrants across 84 different online tournaments.

### Bingo

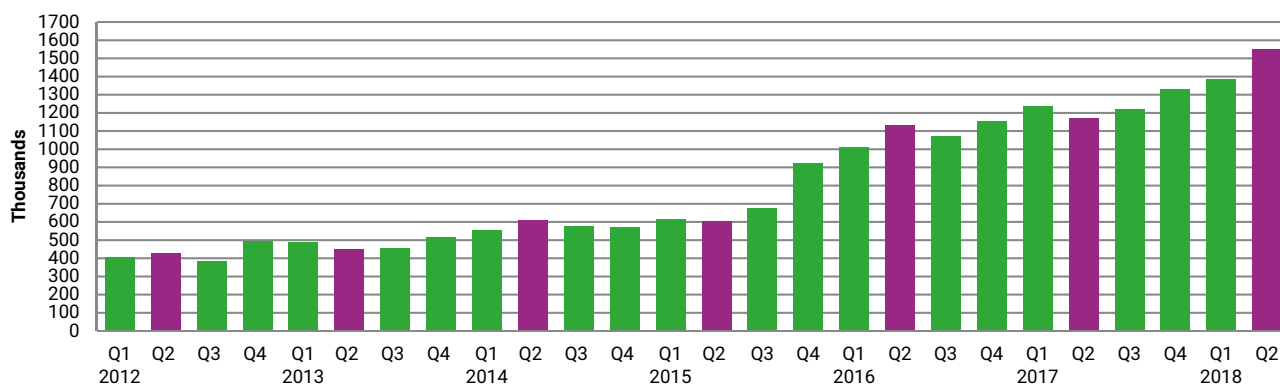
The Kindred Group's bingo product offers several different bingo rooms and game types, including big jackpots and a wide range of mini games. During the quarter, the first progressive jackpot mini game was launched whilst continuing to focus on delivering a strong mobile experience and more exciting player missions.

### Customers

The total number of registered customers has continued to increase and amounted to over 23.6 (20.2) million at 30 June 2018, whilst at 31 March 2018, over 22.5 million customers were registered.

For the second quarter of 2018 the number of active customers amounted to 1,550,508 (1,171,166), compared with 1,383,201 for the first quarter of 2018. An active customer is defined as one placing a bet in the last three months.

**Active Customers**



### Financial review

The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2017.

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

### Gross winnings revenue

Gross winnings revenue on sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets granted. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 104.9 (73.2) million for the second quarter of 2018. For the first half of 2018, Gross winnings revenue for sports betting amounted to GBP 199.6 (139.6) million.



In the second quarter of 2018, live betting accounted for 58.7 (61.6) per cent of turnover on sports betting and 46.5 (52.3) per cent of Gross winnings revenue on sports betting.

Gross winnings revenue for other products amounted to GBP 114.1 (93.4) million for the second quarter of 2018. For the first half of 2018, Gross winnings revenue for other products amounted to GBP 227.2 (180.2) million.

Please refer to pages 13 and 14 for more information on Gross winnings revenue per region and products.

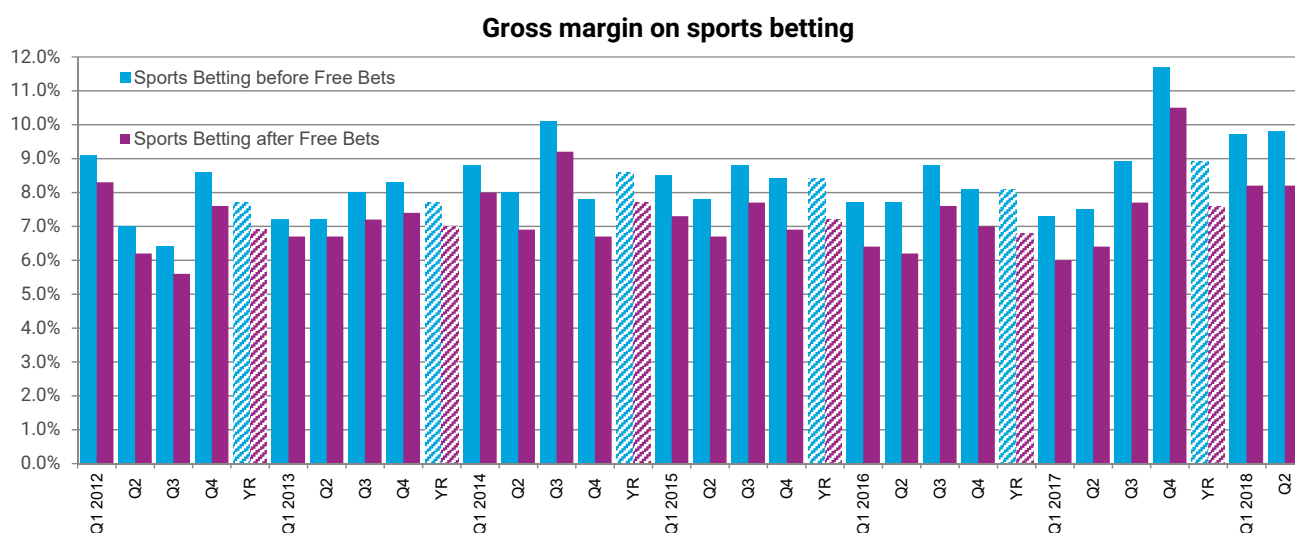
### Gross margin on sports betting

The gross margin for pre-game sports betting before Free Bets for the second quarter of 2018 was 13.2 (9.4) per cent.

The gross margin for total sports betting for the second quarter of 2018 before Free Bets was 9.8 (7.5) per cent. The gross margin for total sports betting for the second quarter of 2018 after Free Bets was 8.2 (6.4) per cent.

Please refer to page 14 for more information on sports betting margins.

Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. However, 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.



### Cost of sales

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the second quarter of 2018 betting duties were GBP 39.2 (25.4) million and marketing revenue share amounted to GBP 12.3 (9.2) million. The betting duties for the first half of 2018 were GBP 76.0 (47.6) million and marketing revenue share for the first half of 2018 amounted to GBP 23.6 (18.7) million.

### Gross profit

Gross profit for the second quarter of 2018 was GBP 133.0 (102.4) million. Gross profit for the first half of 2018 was GBP 258.1 (196.2) million.

### Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the second quarter of 2018, operating costs were GBP 98.2 (73.7) million. Of these operating costs, GBP 51.3 (34.8) million were marketing costs and GBP 20.3 (17.5) million were salaries. During the first half of 2018, operating costs were GBP 182.5 (142.5) million. Of these operating costs, GBP 92.8 (69.7) million were marketing costs and GBP 40.5 (34.6) million were salaries.



## FX rates

The net foreign exchange impact of the Kindred Group's main trading currencies against its reporting currency of GBP is shown in the tables on next page.

### Balance sheet rates:

Rate to GBP	30-Jun-18	30-Jun-17	YoY Delta
SEK	11.797	10.963	-7.6%
NOK	10.735	10.885	1.4%
EUR	1.129	1.137	0.7%
DKK	8.411	8.457	0.5%
AUD	1.782	1.689	-5.5%

### Income statement averages for the quarter:

Rate to GBP	Avg Q2 18	Avg Q2 17	YoY Delta
SEK	11.792	11.261	-4.7%
NOK	10.906	10.888	-0.2%
EUR	1.141	1.163	1.9%
DKK	8.501	8.647	1.7%
AUD	1.798	1.705	-5.5%

## EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the second quarter of 2018 was GBP 41.5 (30.5) million and for the first half of 2018, was GBP 88.8 (59.9) million.

Underlying EBITDA for the second quarter of 2018 was GBP 41.7 (33.4) million and for the first half of 2018, was GBP 89.2 (63.7) million.

Profit from operations for the second quarter of 2018 was GBP 29.7 (23.1) million. Profit from operations for the first half of 2018 was GBP 65.4 (43.3) million.

## Items affecting comparability

Amortisation of acquired intangible assets is the charge on IFRS 3 Business combination acquired assets over the useful economic life of the asset, and is included as part of the Group's total amortisation charge.

As a result of the rationalisation of its brands and the ongoing migration of acquired brands to the Group's platform, the Group has taken a non-cash amortisation charge of GBP 1.1 million for the second quarter of 2018. This fair value adjustment will have no impact on free cash flow or the dividend payment capacity of Kindred Group plc.

## Development and acquisition costs of intangible assets

In the second quarter of 2018 intangible assets of GBP 6.3 (5.2) million have been capitalised, bringing the total capitalised for the first half of 2018 to GBP 12.0 (10.1) million. Intangible assets comprise development costs and computer software. Capitalised development costs during 2018 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

## Finance costs/income

Net finance costs for the second quarter of 2018 were GBP 0.7 (0.4) million. Net finance costs for the first half of 2018 were GBP 1.8 (0.7) million.

## Profit before tax

Profit before tax for the second quarter of 2018 was GBP 28.9 (22.9) million. Profit before tax for the first half of 2018 was GBP 62.5 (41.1) million.

## Profit after tax

Profit after tax for the second quarter of 2018 was GBP 25.5 (20.4) million. Profit after tax for the first half of 2018 was GBP 55.4 (36.7) million.



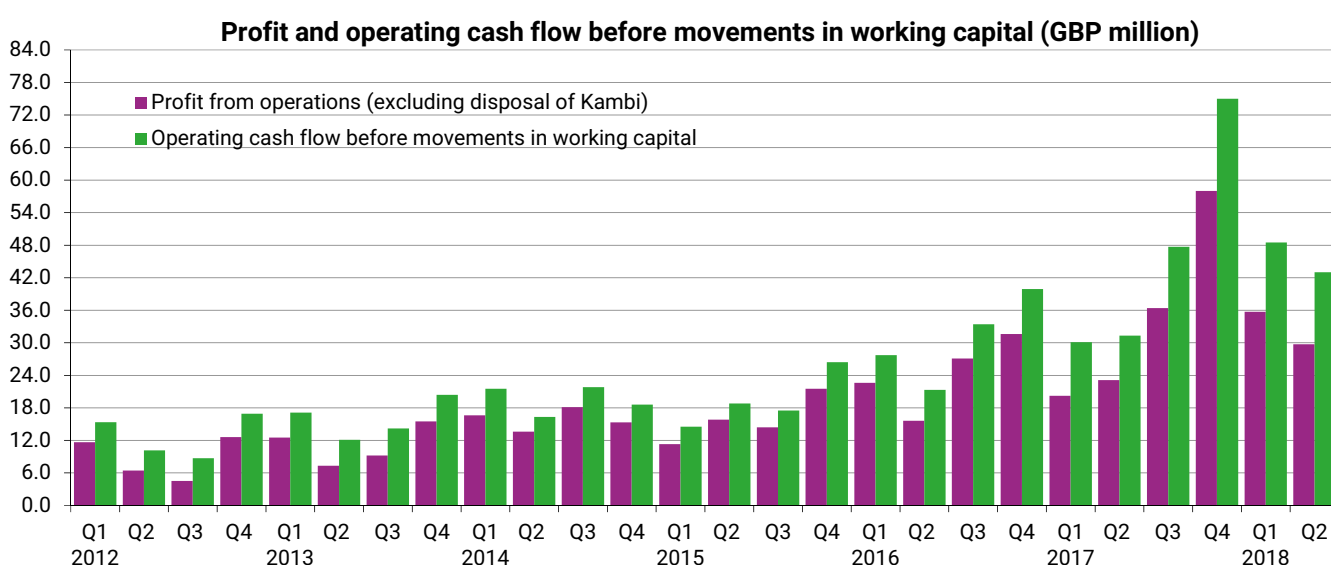
## Financial position and cash flow

The cash in hand position at the end of the second quarter of 2018 stood at GBP 127.1 (107.1) million while at the beginning of the quarter it was GBP 137.2 (96.7) million.

The net cash outflow for the second quarter of 2018 was GBP 11.6 (inflow of 8.3) million. Significant cash movements during the quarter were the utilisation of GBP 112.0 million and the repayment of GBP 15.0 million of the Revolving Credit Facility, as well as the dividend payment of GBP 125.6 million.

As at 30 June 2018, GBP 240.2 (259.5) million of the term and revolving facilities was utilised out of a total of GBP 245.5 (269.5) million. For further information on the term and revolving facilities, please refer to page 79 of the 2017 Annual Report. Net debt/EBITDA (rolling 12-month basis) for the second quarter of 2018 was 0.871 (1.557).

In the second quarter of 2018 GBP 43.0 (31.3) million was generated from operating activities before movements in working capital. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the graph below.



## Employees

The Kindred Group had 1,401 (1,339) employees at 30 June 2018, compared with 1,353 employees at 31 March 2018.

## Share buyback and Share based incentive programme

On 16 May 2018, the Board of Kindred Group plc decided to start exercising the buy-back mandate which was received at the Annual General Meeting on 15 May 2018 and during May 1,500,000 SDRs were acquired.

On 4 June 2018, the full value of the 2015 Performance Share Plan grant vested and 218,744 SDRs were used from the Kindred Group's Share buy-back programme.

Following the share buy-back and the vesting of these awards, 3,548,702 SDRs from the share buy-back programmes continue to be held by Kindred Group. The total amount of issued shares in Kindred Group plc is 230,126,200 ordinary shares with a par value of GBP 0.000625.

## Principal risks

The Kindred Group manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 24 to 27 and pages 41 to 42 of the Annual Report for the year ended 31 December 2017 available from [www.kindredgroup.com](http://www.kindredgroup.com). There have been no significant changes in any risks identified since the prior year end.



**Forthcoming financial reporting timetable**

Interim Report January – September 2018	26 October 2018
Full Year Report 2018	13 February 2019
Interim Report January – March 2019	24 April 2019
Interim Report January – June 2019	24 July 2019

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, 25 July 2018

Henrik Tjärnström  
CEO

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*This report is unaudited.*

*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.*

*Kindred Group plc  
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*Registered in Malta.*

*Company number C 39017*





CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q2 2018	Unaudited Q2 2017	Unaudited Jan - June 2018	Unaudited Jan - June 2017	Audited Full Year 2017
<b>Continuing operations:</b>					
<b>Gross winnings revenue</b>	<b>219.0</b>	166.6	<b>426.8</b>	319.8	751.4
Betting duties	-39.2	-25.4	-76.0	-47.6	-113.6
Marketing revenue share	-12.3	-9.2	-23.6	-18.7	-41.3
Other cost of sales	-34.5	-29.6	-69.1	-57.3	-125.2
<b>Cost of sales</b>	<b>-86.0</b>	<b>-64.2</b>	<b>-168.7</b>	<b>-123.6</b>	<b>-280.1</b>
<b>Gross profit</b>	<b>133.0</b>	<b>102.4</b>	<b>258.1</b>	<b>196.2</b>	<b>471.3</b>
Marketing costs	-51.3	-34.8	-92.8	-69.7	-145.3
Administrative expenses	-46.9	-38.9	-89.7	-72.8	-161.5
<b>Underlying profit before items affecting comparability:</b>	<b>34.8</b>	<b>28.7</b>	<b>75.6</b>	<b>53.7</b>	<b>164.5</b>
M&A costs	-	-2.6	-	-3.2	-3.2
Management incentive costs relating to acquisitions	-0.2	-0.3	-0.4	-0.6	-1.5
Accelerated amortisation of acquired intangible assets	-1.1	-	-2.7	-2.1	-9.2
Amortisation of acquired intangible assets	-3.2	-2.3	-6.3	-4.4	-11.4
Foreign currency loss on operating items	-0.6	-0.4	-0.8	-0.1	-1.5
<b>Profit from operations</b>	<b>29.7</b>	<b>23.1</b>	<b>65.4</b>	<b>43.3</b>	<b>137.7</b>
Finance costs	-0.8	-0.4	-2.0	-0.8	-3.5
Finance income	0.1	0.0	0.2	0.1	0.3
Foreign currency loss on loan	-	-0.0	-1.0	-1.8	-3.0
Share of (loss)/profit from associates	-0.1	0.2	-0.1	0.3	0.5
<b>Profit before tax</b>	<b>28.9</b>	<b>22.9</b>	<b>62.5</b>	<b>41.1</b>	<b>132.0</b>
Income tax expense	-3.4	-2.5	-7.1	-4.4	-14.6
<b>Profit after tax</b>	<b>25.5</b>	<b>20.4</b>	<b>55.4</b>	<b>36.7</b>	<b>117.4</b>
Earnings per share (GBP)	<b>0.112</b>	0.090	<b>0.244</b>	0.161	0.516
Weighted average number of outstanding shares	<b>227,197,119</b>	227,647,938	<b>227,513,121</b>	227,600,381	227,652,726
Fully diluted earnings per share (GBP)	<b>0.112</b>	0.089	<b>0.242</b>	0.161	0.513
Weighted average number of fully diluted outstanding shares	<b>228,174,188</b>	228,337,672	<b>228,483,383</b>	228,296,480	228,712,559
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> GBP 'm	<b>Unaudited Q2 2018</b>	<b>Unaudited Q2 2017</b>	<b>Unaudited Jan - June 2018</b>	<b>Unaudited Jan - June 2017</b>	<b>Audited Full Year 2017</b>
<b>Profit for the period</b>	<b>25.5</b>	20.4	<b>55.4</b>	36.7	117.4
<b>Other comprehensive income</b>					
Currency translation adjustments taken to equity	1.5	1.8	-4.0	3.5	3.9
<b>Total comprehensive income for the period</b>	<b>27.0</b>	<b>22.2</b>	<b>51.4</b>	<b>40.2</b>	<b>121.3</b>



CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 30 Jun 2018	Unaudited 30 Jun 2017	Audited 31 Dec 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	281.5	284.5	279.1
Other intangible assets	156.2	170.5	162.8
Investment in associates	2.1	1.9	2.1
Property, plant and equipment	35.1	16.0	24.7
Deferred tax assets	13.2	9.4	13.4
Convertible bond	6.7	6.6	6.8
Other non-current assets	2.2	2.4	1.6
	<b>497.0</b>	<b>491.3</b>	<b>490.5</b>
<b>Current assets</b>			
Trade and other receivables	49.3	37.1	38.5
Taxation recoverable	37.9	20.5	37.9
Cash and cash equivalents	127.1	107.1	159.1
	<b>214.3</b>	<b>164.7</b>	<b>235.5</b>
<b>Total assets</b>	<b>711.3</b>	<b>656.0</b>	<b>726.0</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	14.6	18.2	18.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	158.2	157.7	240.9
<b>Total equity</b>	<b>211.5</b>	<b>214.6</b>	<b>298.2</b>
<b>Non-current liabilities</b>			
Borrowings	210.2	229.5	133.0
Deferred tax liabilities	5.7	6.0	5.7
	<b>215.9</b>	<b>235.5</b>	<b>138.7</b>
<b>Current liabilities</b>			
Borrowings	30.0	30.0	62.6
Trade and other payables	123.5	84.8	110.2
Customer balances	69.2	53.0	57.5
Deferred income	8.1	2.8	4.4
Tax liabilities	53.1	35.3	54.4
	<b>283.9</b>	<b>205.9</b>	<b>289.1</b>
<b>Total liabilities</b>	<b>499.8</b>	<b>441.4</b>	<b>427.8</b>
<b>Total equity and liabilities</b>	<b>711.3</b>	<b>656.0</b>	<b>726.0</b>



CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q2 2018	Unaudited Q2 2017	Unaudited Jan - June 2018	Unaudited Jan - June 2017	Audited Full Year 2017
<b>Operating activities</b>					
Profit from operations	29.7	23.1	65.4	43.3	137.7
Adjustments for:					
Depreciation of property, plant and equipment	3.2	1.7	5.9	3.3	7.2
Amortisation of intangible assets	8.6	5.7	17.5	13.3	31.1
Impairment losses recognised	-	-	-	-	4.3
Loss on disposal of intangible assets	0.0	-	0.0	-	0.2
Loss on disposal of property, plant & equipment	0.2	0.0	0.2	0.0	0.1
FX gain on dividend	0.3	-	0.3	-	-
Share-based payments	0.5	0.3	1.0	0.6	1.6
Equity settled employee benefit plan	0.5	0.5	1.2	0.9	1.9
<b>Operating cash flows before movements in working capital</b>	<b>43.0</b>	<b>31.3</b>	<b>91.5</b>	<b>61.4</b>	<b>184.1</b>
(Increase)/decrease in trade and other receivables <sup>1</sup>	-8.5	1.9	-11.1	-4.4	-4.2
Increase/(decrease) in trade and other payables, including customer balances	23.3	-4.4	25.4	7.6	39.1
<b>Cash flows from operating activities</b>	<b>57.8</b>	<b>28.8</b>	<b>105.8</b>	<b>64.6</b>	<b>219.0</b>
Net income taxes paid	-6.6	-0.7	-8.7	-3.7	-15.9
<b>Net cash generated from operating activities</b>	<b>51.2</b>	<b>28.1</b>	<b>97.1</b>	<b>60.9</b>	<b>203.1</b>
<b>Investing activities</b>					
Acquisition of subsidiary, net of cash acquired	-	-155.6	-	-155.6	-155.6
Interest received	0.2	0.2	0.2	0.2	0.2
Interest paid	-1.9	-0.1	-2.4	-1.1	-3.8
Purchases of other non-current assets <sup>1</sup>	-1.8	-	-1.8	-6.6	-6.6
Purchases of property, plant and equipment	-9.8	-3.9	-16.6	-5.6	-18.3
Development and acquisition costs of intangible assets	-6.3	-5.2	-12.0	-10.1	-20.4
<b>Net cash used in investing activities</b>	<b>-19.6</b>	<b>-164.6</b>	<b>-32.6</b>	<b>-178.8</b>	<b>-204.5</b>
<b>Financing activities</b>					
Dividend paid	-125.6	-70.6	-125.6	-70.6	-70.6
Treasury share buy-back	-14.6	-	-14.6	-	-
Proceeds from borrowings	112.0	225.7	112.0	233.7	233.7
Repayment of borrowings	-15.0	-10.3	-67.6	-31.0	-95.3
<b>Net cash (used in)/generated from financing activities</b>	<b>-43.2</b>	<b>144.8</b>	<b>-95.8</b>	<b>132.1</b>	<b>67.8</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-11.6</b>	<b>8.3</b>	<b>-31.3</b>	<b>14.2</b>	<b>66.4</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>137.2</b>	<b>96.7</b>	<b>159.1</b>	<b>89.4</b>	<b>89.4</b>
Effect of foreign exchange rate changes	1.5	2.1	-0.7	3.5	3.3
<b>Cash and cash equivalents at end of period</b>	<b>127.1</b>	<b>107.1</b>	<b>127.1</b>	<b>107.1</b>	<b>159.1</b>

<sup>1</sup>Payments and refunds of long-term deposits (such as rental deposits) recognised in 2017 have been reclassified from investing activities to operating activities to better represent the nature of the transactions.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q2 2018	Unaudited Q2 2017	Unaudited Jan - June 2018	Unaudited Jan - June 2017	Audited Full Year 2017
<b>Opening balance at beginning of period</b>	<b>323.8</b>	262.2	<b>298.2</b>	243.5	243.5
<b>Comprehensive income</b>					
Profit for the period	25.5	20.4	55.4	36.7	117.4
Other comprehensive income:					
Translation adjustment	1.5	1.8	-4.0	3.5	3.9
	<b>27.0</b>	<b>22.2</b>	<b>51.4</b>	<b>40.2</b>	<b>121.3</b>
<b>Transactions with owners</b>					
Share awards - value of employee services	-1.0	0.3	-0.5	0.6	0.6
Treasury share buy-back	-14.6	-	-14.6	-	-
Equity settled employee benefit plan	0.4	0.5	0.9	0.9	1.9
Deferred tax credit relating to share award schemes	-	-	-	-	0.5
Disposal of treasury shares	1.5	-	1.7	-	1.0
Dividend paid	-125.6	-70.6	-125.6	-70.6	-70.6
	<b>-139.3</b>	<b>-69.8</b>	<b>-138.1</b>	<b>-69.1</b>	<b>-66.6</b>
<b>Closing balance at end of period</b>	<b>211.5</b>	<b>214.6</b>	<b>211.5</b>	<b>214.6</b>	<b>298.2</b>

## KEY RATIOS

This table is for information only and does not form part of the condensed financial statements.

	Unaudited Q2 2018	Unaudited Q2 2017	Unaudited Jan - June 2018	Unaudited Jan - June 2017	Audited Full Year 2017
Operating margin (Profit from operations/gross winnings revenue for the period)	14%	14%	15%	14%	18%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	4%	4%	8%	7%	20%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	44%	39%	51%	38%	51%
Equity:assets ratio	30%	33%	30%	33%	41%
EBITDA margin	19%	18%	21%	19%	24%
Unrestricted cash/EBITDA (rolling 12-month basis)	0.277	0.410	0.277	0.410	0.564
Net debt/EBITDA (rolling 12-month basis)	0.871	1.557	0.871	1.557	0.521
Employees at period end	1,401	1,339	1,401	1,339	1,357
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.552	0.465	0.552	0.465	0.691
Net debt per share (GBP) (total cash at period end less customer balances and borrowings/number of shares at end of period)	0.792	0.893	0.792	0.893	0.408
Operating cash flow before movements in working capital per share (GBP)	0.189	0.137	0.402	0.270	0.809
Earnings per share (GBP)	0.112	0.090	0.244	0.161	0.516
Fully diluted earnings per share (GBP)	0.112	0.089	0.242	0.161	0.513
Number of shares at period end <sup>1</sup>	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	231,104,478	230,813,507	231,104,478	230,813,507	231,022,348
Weighted average number of outstanding shares	227,197,119	227,647,938	227,513,121	227,600,381	227,652,726
Weighted average number of fully diluted outstanding shares	228,174,188	228,337,672	228,483,383	228,296,480	228,712,559

<sup>1</sup> As at 30 June 2018 the total issued shares was 230,126,200. Of these 3,548,702 shares are held by the Group as a result of previous repurchase programmes. The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under share option programmes.



## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

This table is for information only and does not form part of the condensed financial statements.

Gross winnings revenue by region (based on country of residence of customer)  
(GBP 'm)

SPORTS BETTING BY REGION	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
<b>Gross winnings revenue</b>									
Nordics	25.7	25.3	34.4	26.6	20.4	21.6	51.0	103.0	80.3
Western Europe	68.3	59.8	74.9	49.6	44.8	37.0	128.1	206.3	136.5
Central, Eastern and Southern Europe	7.9	8.0	8.6	6.5	5.9	5.0	15.9	26.0	19.3
Other	3.0	1.6	3.3	3.0	2.1	2.8	4.6	11.2	9.4
<b>Total</b>	<b>104.9</b>	<b>94.7</b>	<b>121.2</b>	<b>85.7</b>	<b>73.2</b>	<b>66.4</b>	<b>199.6</b>	<b>346.5</b>	<b>245.5</b>

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	26%	17%	62%	13%	19%	18%	21%	28%	38%
Western Europe	52%	62%	90%	41%	36%	28%	57%	51%	67%
Central, Eastern and Southern Europe	34%	60%	72%	23%	40%	4%	46%	35%	60%
Other	43%	-43%	22%	7%	11%	40%	-6%	19%	4%
<b>Total</b>	<b>43%</b>	<b>43%</b>	<b>77%</b>	<b>28%</b>	<b>30%</b>	<b>23%</b>	<b>43%</b>	<b>41%</b>	<b>52%</b>

OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
<b>Gross winnings revenue</b>									
Nordics	48.3	48.7	49.2	49.8	47.4	47.6	97.0	194.0	159.6
Western Europe	55.1	55.0	56.0	51.1	39.0	32.6	110.1	178.7	110.0
Central, Eastern and Southern Europe	8.1	7.5	7.6	5.8	5.6	6.1	15.6	25.1	26.4
Other	2.6	1.9	4.0	1.2	1.4	0.5	4.5	7.1	2.6
<b>Total</b>	<b>114.1</b>	<b>113.1</b>	<b>116.8</b>	<b>107.9</b>	<b>93.4</b>	<b>86.8</b>	<b>227.2</b>	<b>404.9</b>	<b>298.6</b>

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	2%	2%	6%	23%	29%	33%	2%	22%	56%
Western Europe	41%	69%	82%	84%	47%	30%	54%	62%	52%
Central, Eastern and Southern Europe	45%	23%	23%	-15%	-15%	-10%	33%	-5%	58%
Other	86%	280%	400%	71%	180%	-17%	137%	173%	53%
<b>Total</b>	<b>22%</b>	<b>30%</b>	<b>39%</b>	<b>43%</b>	<b>33%</b>	<b>27%</b>	<b>26%</b>	<b>36%</b>	<b>55%</b>

TOTAL BY REGION	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
<b>Gross winnings revenue</b>									
Nordics	74.0	74.0	83.6	76.4	67.8	69.2	148.0	297.0	239.9
Western Europe	123.4	114.8	130.9	100.7	83.8	69.6	238.2	385.0	246.5
Central, Eastern and Southern Europe	16.0	15.5	16.2	12.3	11.5	11.1	31.5	51.1	45.7
Other	5.6	3.5	7.3	4.2	3.5	3.3	9.1	18.3	12.0
<b>Total</b>	<b>219.0</b>	<b>207.8</b>	<b>238.0</b>	<b>193.6</b>	<b>166.6</b>	<b>153.2</b>	<b>426.8</b>	<b>751.4</b>	<b>544.1</b>

Share of total %									
Nordics	34%	36%	35%	40%	41%	45%	35%	40%	44%
Western Europe	56%	55%	55%	52%	50%	46%	56%	51%	45%
Central, Eastern and Southern Europe	7%	7%	7%	6%	7%	7%	7%	7%	9%
Other	3%	2%	3%	2%	2%	2%	2%	2%	2%

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	9%	7%	23%	20%	26%	28%	8%	24%	50%
Western Europe	47%	65%	86%	60%	41%	29%	55%	56%	60%
Central, Eastern and Southern Europe	39%	40%	45%	2%	6%	-4%	39%	12%	59%
Other	60%	6%	109%	20%	46%	27%	34%	53%	12%
<b>Total</b>	<b>31%</b>	<b>36%</b>	<b>56%</b>	<b>36%</b>	<b>32%</b>	<b>25%</b>	<b>33%</b>	<b>38%</b>	<b>54%</b>



## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

**Gross winnings revenue by product** (after Free Bets)  
(GBP 'm)

TOTAL BY PRODUCT	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
<b>Gross winnings revenue</b>									
Sports Betting	104.9	94.7	121.2	85.7	73.2	66.4	199.6	346.5	245.5
Casino & Games	104.0	103.2	106.3	99.3	84.3	77.4	207.2	367.3	269.4
Poker	4.0	4.6	4.6	3.0	3.9	3.7	8.6	15.2	12.5
Other	6.1	5.3	5.9	5.6	5.2	5.7	11.4	22.4	16.7
<b>Total</b>	<b>219.0</b>	<b>207.8</b>	<b>238.0</b>	<b>193.6</b>	<b>166.6</b>	<b>153.2</b>	<b>426.8</b>	<b>751.4</b>	<b>544.1</b>
<b>Share of total %</b>									
Sports Betting	48%	46%	51%	44%	44%	43%	47%	46%	45%
Casino & Games	47%	50%	45%	51%	51%	51%	48%	49%	50%
Poker	2%	2%	2%	2%	2%	2%	2%	2%	2%
Other	3%	2%	2%	3%	3%	4%	3%	3%	3%

**Quarterly Year-on-Year & Year-on-Year growth %**

Sports Betting	43%	43%	77%	28%	30%	23%	43%	41%	52%
Casino & Games	23%	33%	42%	45%	30%	26%	28%	36%	57%
Poker	3%	24%	31%	-6%	50%	16%	13%	22%	64%
Other	17%	-7%	0%	44%	68%	50%	5%	34%	22%

**Sports Betting gross margins**

(GBP 'm)

	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
<b>Sports Betting Stakes</b>	<b>1,271.6</b>	<b>1,148.9</b>	<b>1,157.3</b>	<b>1,117.4</b>	<b>1,151.5</b>	<b>1,115.9</b>	<b>2,420.5</b>	<b>4,542.1</b>	<b>3,597.6</b>
<i>Sports Betting Gross winnings revenue:</i>									
<b>Live Betting</b>	<b>58.2</b>	<b>55.7</b>	<b>57.2</b>	<b>51.0</b>	<b>45.4</b>	<b>43.6</b>	<b>113.9</b>	<b>197.2</b>	<b>147.0</b>
<i>Live Betting margin</i>	<b>7.8%</b>	8.1%	8.5%	7.2%	6.4%	6.5%	<b>7.9%</b>	7.2%	6.5%
<i>Live Betting share</i>	<b>46.5%</b>	50.1%	42.2%	51.3%	52.3%	53.7%	<b>48.2%</b>	48.9%	50.6%
<b>Pre-game Betting</b>	<b>66.9</b>	<b>55.5</b>	<b>78.4</b>	<b>48.5</b>	<b>41.4</b>	<b>37.6</b>	<b>122.4</b>	<b>205.9</b>	<b>143.4</b>
<i>Pre-game Betting margin</i>	<b>13.2%</b>	12.1%	16.2%	11.7%	9.4%	8.4%	<b>13.0%</b>	11.5%	10.5%
<i>Pre-game Betting share</i>	<b>53.5%</b>	49.9%	57.8%	48.7%	47.7%	46.3%	<b>51.8%</b>	51.1%	49.4%
<b>Total before Free Bets</b>	<b>125.1</b>	<b>111.2</b>	<b>135.6</b>	<b>99.5</b>	<b>86.8</b>	<b>81.2</b>	<b>236.3</b>	<b>403.1</b>	<b>290.4</b>
<i>Sports Betting margin (before FB)</i>	<b>9.8%</b>	9.7%	11.7%	8.9%	7.5%	7.3%	<b>9.8%</b>	8.9%	8.1%
Free Bets	<b>-20.2</b>	-16.5	-14.4	-13.8	-13.6	-14.8	<b>-36.7</b>	-56.6	-44.9
<b>Total after Free Bets</b>	<b>104.9</b>	<b>94.7</b>	<b>121.2</b>	<b>85.7</b>	<b>73.2</b>	<b>66.4</b>	<b>199.6</b>	<b>346.5</b>	<b>245.5</b>
<i>Sports Betting margin (after FB)</i>	<b>8.2%</b>	8.2%	10.5%	7.7%	6.4%	6.0%	<b>8.2%</b>	7.6%	6.8%

**Total margin (all products)**

(%)

	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2018 YTD	2017 FY	2016 FY
Total margin all products* (before FB)	5.0%	4.9%	5.4%	4.7%	4.6%	4.5%	5.0%	4.8%	4.7%

\* Includes Sports Betting and Casino & Games, but excludes Poker rakes and Other revenues.

