

Kindred Group plc

Interim report January – June 2019 (unaudited)

Second quarter and first half year highlights

- **Gross winnings revenue amounted to GBP 226.2 (219.0) million for the second quarter of 2019, an increase of 3 per cent, and GBP 450.6 (426.8) million for the first half of 2019.**
- **Underlying EBITDA for the second quarter of 2019 was GBP 30.5 (41.7) million, and GBP 61.1 (89.2) million for the first half of 2019.**
- **Profit before tax for the second quarter of 2019 amounted to GBP 14.7 (28.9) million, and GBP 32.4 (62.5) million for the first half of 2019.**
- **Profit after tax for the second quarter of 2019 amounted to GBP 12.5 (25.5) million, and GBP 27.6 (55.4) million for the first half of 2019.**
- **Earnings per share for the second quarter of 2019 were GBP 0.055 (0.112) and GBP 0.122 (0.244) for the first half of 2019.**
- **Number of active customers during the second quarter was 1,478,437 (1,550,508).**

“Locally licensed revenue growth of 41 per cent year on year but tough EBITDA comparatives due to the 2018 World Cup and Swedish re-regulation”

“Despite very tough 2018 comparatives, which included the start of the World Cup, revenues grew 4 per cent in constant currency year on year with particularly strong growth in locally licensed markets. Of the Group’s Gross winnings revenue, 59 per cent came from locally licensed markets which represented 41 per cent growth compared to the same quarter last year (growth of 19 per cent excluding Sweden). This focus on growth in locally licensed markets is very much part of our strategy and, as expected, has resulted in margin pressure from higher betting duties. During the second quarter of 2019, Gross winnings revenue from mobile grew by 11 per cent compared to the second quarter of last year and amounted to 77 per cent of our total Gross winnings revenue.”

“As we have highlighted for a long time and as we saw in the first quarter of 2019, the new licensing regulation in Sweden has resulted in significant short-term margin pressure driven by higher betting duties but also higher marketing as we are investing for the longer term. In the Swedish market, we saw a significant improvement quarter on quarter, but EBITDA contribution was still down GBP 9.2 million when compared to the second quarter last year.”

“Total marketing for the Group, as a percentage of Gross winnings revenue, came in at 29 per cent and was at its highest level since 2013 when compared to other second quarters in non-major football tournament years. We also continue to invest heavily in technology and other operating expenditure in order to drive our future growth. Whilst this may reduce profitability in the short term, we are confident that, as we have previously proven, this will drive future growth in Gross winnings revenue and profits, particularly in locally licensed markets. Other significant items affecting the quarter were the planned investments in the USA, both in marketing and operating expenses, that contributed GBP 1.6 million of negative EBITDA in the quarter.”

“For the period 1 July to 22 July 2019, the daily average Gross winnings revenue in GBP was 7 per cent lower (8 per cent in constant currency) than the average daily Gross winnings revenue for the full third quarter last year,” says Henrik Tjärnström, CEO of Kindred Group.

Today, Wednesday 24 July 2019, Kindred Group’s CEO Henrik Tjärnström will host a presentation in English at Kindred’s office at Regeringsgatan 25, in Stockholm at 9.00 CEST.

The presentation is also webcast live on www.kindredgroup.com/Q22019. For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 33 3300 9266 or the USA: +1 833 823 0590.

The Kindred Group operates in locally-regulated markets through its gambling licences in the UK, Sweden, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania, Estonia and New Jersey, as well as other markets internationally through its 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 Regulation of Market Abuse, MAR.

Q2 AND FIRST HALF YEAR SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q2		Jan - June		Full Year	Rolling
	2019 GBP 'm	2018 GBP 'm	2019 GBP 'm	2018 GBP 'm	2018 GBP 'm	12 months ⁵ GBP 'm
Gross winnings revenue	226.2	219.0	450.6	426.8	907.6	931.4
EBITDA ¹	30.4	41.5	61.0	88.8	202.8	175.0
Underlying EBITDA ²	30.5	41.7	61.1	89.2	203.7	175.6
Profit before tax	14.7	28.9	32.4	62.5	149.5	119.4
Profit after tax	12.5	25.5	27.6	55.4	131.6	103.8
Unrestricted cash ³	41.1	57.9	41.1	57.9	98.0	
Borrowings	-193.7	-240.2	-193.7	-240.2	-194.3	
Net cash/(Net debt) ⁴	-152.6	-182.3	-152.6	-182.3	-96.3	
	GBP	GBP			GBP	GBP
EBITDA ¹ per share	0.134	0.183	0.269	0.390	0.893	0.772
Underlying EBITDA ² per share	0.135	0.184	0.270	0.392	0.897	0.775
Earnings per share	0.055	0.112	0.122	0.244	0.580	0.458
Unrestricted cash ³ per share	0.179	0.252	0.179	0.252	0.426	
Net cash/(Net debt) ⁴ per share	-0.663	-0.792	-0.663	-0.792	-0.418	
	SEK	SEK			SEK	SEK
Gross winnings revenue	2,747.0	2,582.4	5,426.1	4,926.1	10,524.5	11,024.5
EBITDA ¹	369.2	489.4	734.6	1,024.9	2,351.7	2,061.3
Underlying EBITDA ²	370.4	491.7	735.8	1,029.5	2,362.1	2,068.3
Profit before tax	178.5	340.8	390.2	721.4	1,733.6	1,402.4
Profit after tax	151.8	300.7	332.4	639.4	1,526.0	1,219.0
Unrestricted cash ³	484.2	683.0	484.2	683.0	1,123.5	
Borrowings	-2,282.2	-2,833.6	-2,282.2	-2,833.6	-2,227.5	
Net cash/(Net debt) ⁴	-1,797.9	-2,150.6	-1,797.9	-2,150.6	-1,104.0	
	SEK	SEK			SEK	SEK
EBITDA ¹ per share	1.629	2.154	3.242	4.505	10.358	9.095
Underlying EBITDA ² per share	1.635	2.164	3.247	4.525	10.404	9.126
Earnings per share	0.670	1.324	1.467	2.811	6.721	5.378
Unrestricted cash ³ per share	2.104	2.968	2.104	2.968	4.882	
Net cash/(Net debt) ⁴ per share	-7.813	-9.345	-7.813	-9.345	-4.797	
	No.	No.			No.	No.
Active customers	1,478,437	1,550,508				
Registered customers (million)	26.2	23.6	26.2	23.6	24.9	

Currency rate Q2 19 average: 1 GBP = 12.144 SEK, Q2 18 average: 1 GBP = 11.792 SEK, FY 18 average: 1 GBP = 11.596 SEK, 2019 YTD average: 1 GBP = 12.042 SEK, 2018 YTD average: 1 GBP = 11.542 SEK, 30 June 2019: 1 GBP = 11.782 SEK, 30 June 2018: 1 GBP = 11.797 SEK, 31 December 2018: 1 GBP = 11.464 SEK

The Kindred Group reports in GBP and the SEK figures presented above are for information only and do not necessarily comply with IFRS.

Definition of Alternative Performance Measures

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Underlying EBITDA = EBITDA less management incentive costs relating to acquisitions.

³ Unrestricted cash = Total cash at period end less customer balances.

⁴ Net cash/(Net debt) = Total cash at period end less customer balances and borrowings.

⁵ Rolling 12 months consists of 12 months ended 30 June 2019.

Refer to page 15 for the reconciliation of the Group's alternative performance measures to the most directly comparable measures reported in accordance with IFRS.

Certain Q2 2019 figures disclosed above have been impacted by the adoption of IFRS 16 "Leases". Refer to pages 5 and 16 for further detail.

Significant events during the second quarter of 2019

On 9 May 2019, Kindred Group was recognised as one of the UK's top 30 workplaces in the category 251-1000 employees, at Best Workplaces™ Awards organised by the "Great Place to Work" organisation.

On 4 June 2019, Kindred Group went live in New Jersey with its Unibet brand offering customers a broad range of first-class casino products in a safe and secure environment.

On 4 June 2019, Kindred Group launched an update of the classic logo of its flagship brand Unibet to better cater for today's mobile first environment with high legibility in small digital spaces. The logo has been fully designed and developed by Kindred's in-house creative design team.

On 13 June 2019, the Gambling Commission in the UK decided that Kindred Group had to pay GBP 1.6 million for failing to identify gambling harm and prevent money laundering in connection with a fraud. As part of the settlement with the Commission, Kindred paid GBP 629,420 to the fraudster's victims and GBP 990,200 in lieu of a financial penalty. This money will be spent accelerating delivery of the National Strategy to Reduce Gambling Harms.

On 19 June 2019, Kindred Group's Unibet brand signed an agreement with Hockeyallsvenskan to be the main sponsor of the league from 1 July 2019. The agreement is worth SEK 25 million over two years of which SEK 3 million will be put towards responsible gaming as well as projects against match fixing and is part of Unibet's long term strategy to give back to sports and society. Hockeyallsvenskan is the third biggest sports league in Sweden and, together with the sponsorship of Allsvenskan and Superettan, Unibet will be the main sponsor of three of the four biggest leagues in Sweden from 1 January 2020.

On 26 June 2019, Kindred Group was awarded the ISO 27001 certification for information security management by testing agency, eCOGRA. By meeting the extensive criteria of the standard, the Group has proven its commitment to protecting sensitive information, critical assets and consistently delivering quality service for customers and employees.

On 27 June 2019, Kindred Group successfully submitted its audit report and certificate from the first audit of its gambling system which confirms that it meets the technical requirements in the Swedish gambling legislation.

Significant events after the period end

On 10 July 2019, Kindred Group was awarded a conditional license for online casino and sport betting in Pennsylvania.

On 23 July 2019, Kindred Group signed a syndicated GBP 280 million three-year multi-currency loan facilities agreement with a group of Nordic banks. The new facilities agreement consists of a bullet term loan facility of GBP 120 million and a GBP 160 million revolving loan facility. The loan proceeds will be used to refinance the amounts outstanding under the company's existing facilities agreement and for the Group's general corporate purposes.

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 (including horse racing betting), 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.

Sustainability

For Kindred, a successful business is about future-proofing operations to generate long-term value for shareholders and society. It means continual improvements and taking responsibility for the Group's operations – and constantly striving for change for the better. It is about delivering sustainable growth and shared values for the customers, shareholders and the local communities around us. To achieve this, Kindred need to collaborate, utilise important research findings and integrate these into its tools and products. This is the only way for the Group to create the best experience for the customers, to inspire peers and partners, to steer the development in the right direction and create a more sustainable gambling industry. Driving sustainable and long-term growth is central to Kindred's purpose to transform gambling and ensure fair play, the best deal and a great experience for the players. Kindred is committed to reducing the revenue derived from harmful gambling to zero by 2023 and working with key stakeholders in society to achieve the five ambitions set out in the Group's sustainability framework:

- *Zero per cent gross winnings revenue derived from harmful gambling.*
- *Always behave with integrity and fairness in everything we do to gain trust by our customers, the regulators and society as a whole.*
- *Ensure that our operations always continue to meet the highest professional, compliance and ethical standards.*
- *Become one of the world's highest-ranked companies within employee engagement.*
- *Equip the communities in which we operate with the knowledge and resources to build a better future.*

Read more about these ambitions in the Kindred Group 2018 Sustainability Report, copies of which are available on our corporate website, www.kindredgroup.com.

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 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile devices.

The Group offered 47,806 live betting events in the second quarter of 2019 and streamed 40,092 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 6 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. Focus in the quarter has been the optimisation of the customer experience, by offering casino content from new suppliers in selected markets, and the evolving use of personalisation algorithms improving the relevance of content for users. In addition, there has been continued investment in exclusive games which is important for competitive differentiation.

Poker

The Kindred Group's poker product is one of the fastest growing licensed poker networks in the industry. The migration of the poker product in France, to the same supplier used in all other markets, was a success and has been very well received in the market. This quarter the Unibet Open was held in London. The event had 465 entries in the main event and a prize pool exceeding GBP 400,000.

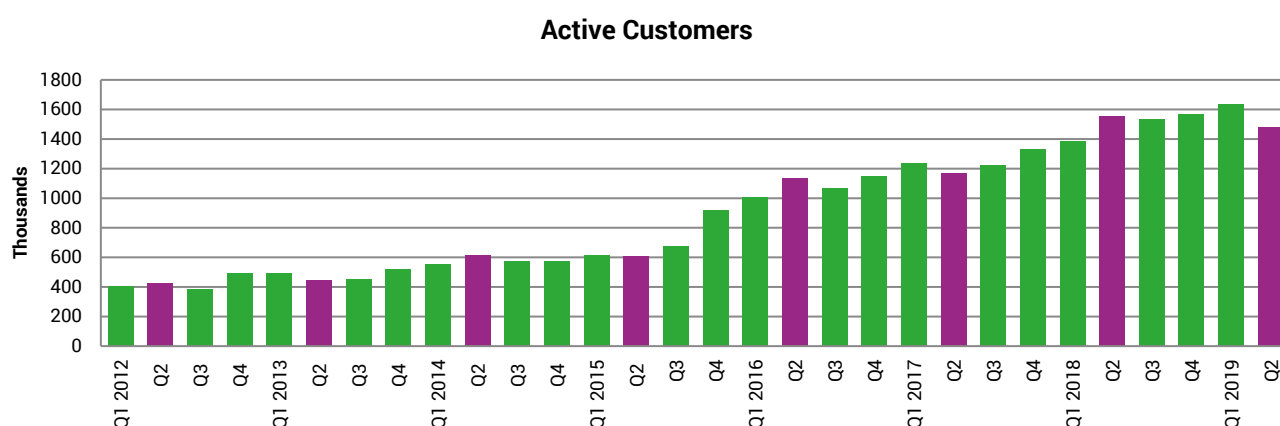
Bingo

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 a redesigned mobile lobby was launched. The new lobby gives increased clarity on the status of active games, easier to find jackpot information, dynamic colour coding (when close to winning) as well as improved duo-play when playing both bingo and mini games. New mini games were also released, and the portfolio now consists of around 20 unique games.

Customers

The total number of registered customers has continued to increase and amounted to over 26.2 (23.6) million at 30 June 2019, whilst at 31 March 2019, over 25.6 million customers were registered.

For the second quarter of 2019 the number of active customers amounted to 1,478,437 (1,550,508), compared with 1,631,636 for the first quarter of 2019. An active customer is defined as one placing a bet in the last three months.



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 2018, except for IFRS 16 which the Group has applied for the first time in the year commencing 1 January 2019.

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

New standard effective from 1 January 2019

Kindred Group plc has adopted IFRS 16, "Leases", from its mandatory date of 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.36 per cent as at 1 January 2019. Right-of-use assets were measured at the amount equal to the lease liability (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018).

Please refer to page 16 for a reconciliation of operating lease commitments disclosed as at 31 December 2018 to the lease liabilities recognised as at 1 January 2019 and a breakdown of right-of-use assets recognised.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the accounting for operating leases with remaining lease term of less than 12 months as at 1 January 2019 as short-term leases being expensed directly through the consolidated income statement
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The change in accounting policy affected the following items in the balance sheet as at 1 January 2019:

- right-of-use assets – increase by GBP 75.6 million
- prepayments – decrease by GBP 0.6 million
- lease liabilities – increase by GBP 75.0 million

The net impact on retained earnings as at 1 January 2019 was an increase of GBP 2.1 million. This is disclosed on the face of the consolidated statement of changes in equity on page 14.

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 108.9 (104.9) million for the second quarter of 2019. For the first half of 2019, Gross winnings revenue for Sports betting amounted to GBP 215.4 (199.6) million.

In the second quarter of 2019, live betting accounted for 57.9 (58.7) per cent of turnover on Sports betting and 50.2 (46.5) per cent of Gross winnings revenue on Sports betting.

Gross winnings revenue for other products amounted to GBP 117.3 (114.1) million for the second quarter of 2019. For the first half of 2019, Gross winnings revenue for other products amounted to GBP 235.2 (227.2) million.

Please refer to pages 17 and 18 for more information on Gross winnings revenue per region and products.

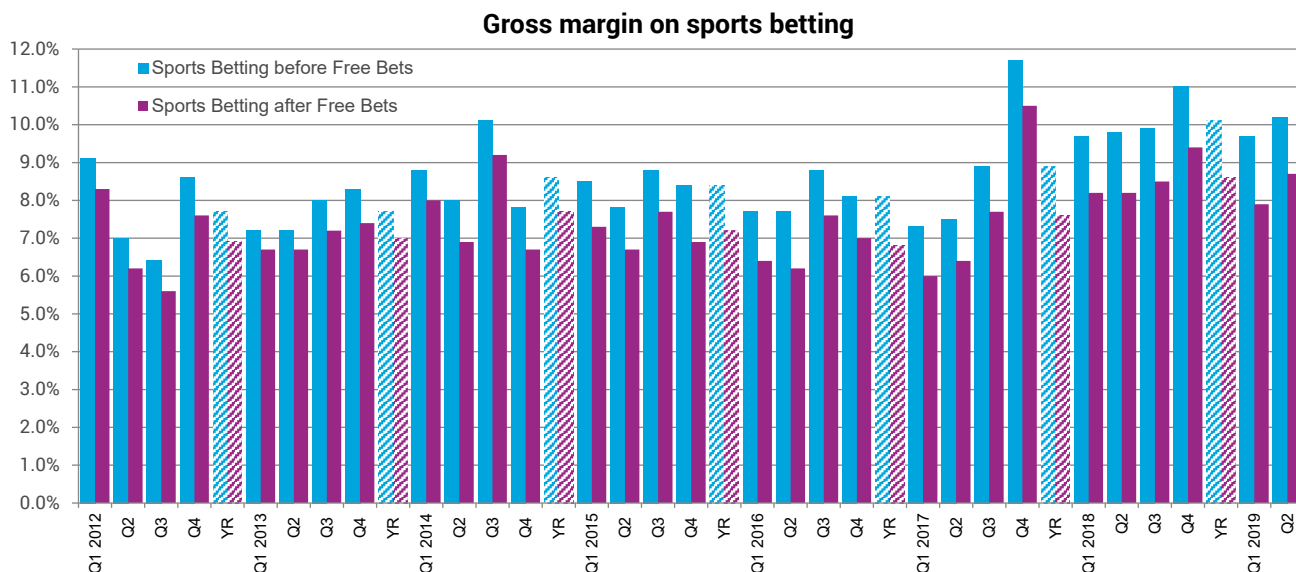
Gross margin on Sports betting

The gross margin for pre-game Sports betting before Free Bets for the second quarter of 2019 was 12.0 (13.2) per cent.

The gross margin for total Sports betting for the second quarter of 2019 before Free Bets was 10.2 (9.8) per cent. The gross margin for total Sports betting for the second quarter of 2019 after Free Bets was 8.7 (8.2) per cent.

Please refer to page 18 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. It is expected that over time these margins will even out. This can be seen in the graph on the next page. 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 2019, betting duties were GBP 48.3 (39.2) million and marketing revenue share amounted to GBP 11.5 (12.3) million. The betting duties for the first half of 2019 were GBP 100.5 (76.0) million and marketing revenue share for the first half of 2019 amounted to GBP 24.8 (23.6) million.

Gross profit

Gross profit for the second quarter of 2019 was GBP 129.3 (133.0) million. Gross profit for the first half of 2019 was GBP 249.6 (258.1) 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 2019, operating costs were GBP 108.8 (98.2) million. Of these operating costs, GBP 53.2 (51.3) million were marketing costs and GBP 24.3 (20.3) million were salaries. During the first half of 2019, operating costs were GBP 212.4 (182.5) million. Of these operating costs, GBP 106.8 (92.8) million were marketing costs and GBP 47.6 (40.5) 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 the next page.

Balance sheet rates:

Rate to GBP	30-Jun-19	30-Jun-18	YoY Delta
SEK	11.782	11.797	0.1%
NOK	10.812	10.735	-0.7%
EUR	1.115	1.129	1.2%
DKK	8.325	8.411	1.0%
AUD	1.812	1.782	-1.7%

Income statement averages for the quarter:

Rate to GBP	Avg Q2 19	Avg Q2 18	YoY Delta
SEK	12.144	11.792	-3.0%
NOK	11.113	10.906	-1.9%
EUR	1.144	1.141	-0.3%
DKK	8.542	8.501	-0.5%
AUD	1.836	1.798	-2.1%

EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the second quarter of 2019 was GBP 30.4 (41.5) million and for the first half of 2019, was GBP 61.0 (88.8) million.

Underlying EBITDA for the second quarter of 2019 was GBP 30.5 (41.7) million and for the first half of 2019, was GBP 61.1 (89.2) million.

Profit from operations for the second quarter of 2019 was GBP 16.5 (29.7) million and for the first half of 2019, was GBP 34.9 (65.4) million.

From 1 January 2019, as a result of the adoption of IFRS 16, rental costs are no longer recognised in the consolidated income statement and therefore not included in any of the above metrics. Profit from operations instead includes an additional depreciation charge of GBP 2.7 million for the second quarter of 2019 and GBP 4.5 million for the first half of 2019. As the Group has applied the simplified transition approach, comparatives have not been restated. Please refer to page 16 where comparatives have been recalculated, where possible, as though they were measured under IFRS 16 to allow greater comparability.

Items affecting comparability

Amortisation of intangible assets that arose on acquisition is the charge for assets that have arisen under IFRS 3 Business Combinations over their useful economic life and is included as part of the Group's total amortisation charge.

Finance costs/income

Net finance costs for the second quarter of 2019 were GBP 1.8 (0.7) million. Net finance costs for the first half of 2019 were GBP 3.1 (1.8) million. This includes a new interest cost arising on the lease liabilities recognised as a result of the adoption of IFRS 16 of GBP 0.4 million for the second quarter of 2019 and GBP 0.6 million for the first half of 2019.

Profit before tax

Profit before tax for the second quarter of 2019 was GBP 14.7 (28.9) million. Profit before tax for the first half of 2019 was GBP 32.4 (62.5) million.

Profit after tax

Profit after tax for the second quarter of 2019 was GBP 12.5 (25.5) million. Profit after tax for the first half of 2019 was GBP 27.6 (55.4) million.

Development and acquisition costs of intangible assets

In the second quarter of 2019 intangible assets of GBP 7.6 (6.3) million have been capitalised, bringing the total capitalised for the first half of 2019 to GBP 20.0 (12.0) million. Intangible assets comprise development costs, computer software and licences. Capitalised development costs during 2019 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Financial position and cash flow

Cash and cash equivalents at the end of the second quarter of 2019 stood at GBP 109.2 (127.1) million while at the beginning of the quarter it was GBP 112.6 (137.2) million.

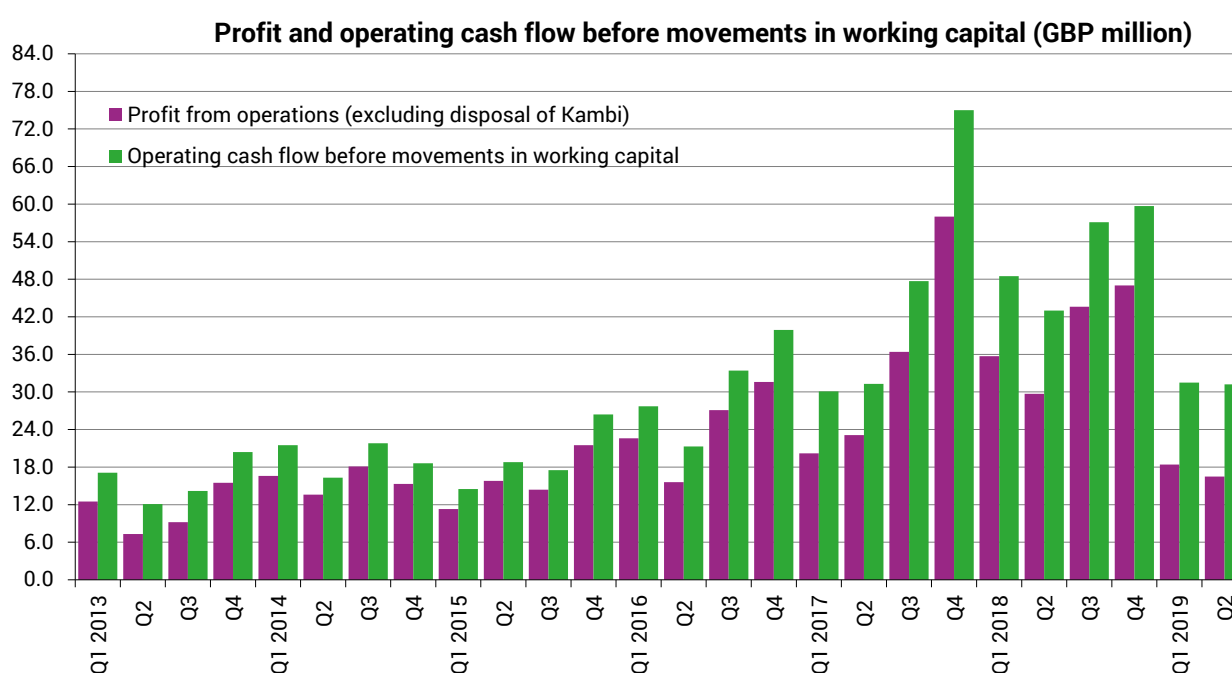
The net cash outflow for the second quarter of 2019 was GBP 5.0 (11.6) million. Significant cash movements during the quarter were the utilisation of GBP 57.6 million and the repayment of GBP 15.0 million of borrowings, as well as the payment of the first dividend instalment of GBP 56.2 million. The second instalment of the dividend will be paid on 21 November 2019.

As at 30 June 2019, GBP 193.7 (240.2) million of the term and revolving facilities was utilised out of a total of GBP 202.3 (245.5) million. For further information on the term and revolving facilities, please refer to page 80 of the 2018 Annual Report. In July 2019 Kindred Group signed a syndicated GBP 280 million three-year multi-currency loan facilities agreement with a group of Nordic banks. The new facilities agreement consists of a bullet term loan facility of GBP 120 million and a GBP 160 million revolving loan facility. Net debt/EBITDA (rolling 12-month basis) for the second quarter of 2019 was -0.872 (-0.871).

In the second quarter of 2019, GBP 31.2 (43.0) million was generated from operating activities before movements in working capital.

From 1 January 2019, as a result of the adoption of IFRS 16, rental costs are no longer recognised in the consolidated income statement and therefore not included in operating cash flows before movements in working capital. Please refer to page 16 where comparatives have been recalculated as though they were measured under IFRS 16 to allow greater comparability.

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 1,608 (1,401) employees at 30 June 2019, compared with 1,550 employees at 31 March 2019.

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 26 to 29 and pages 43 to 45 of the Annual Report for the year ended 31 December 2018 available from www.kindredgroup.com. There have been no other significant changes in any risks identified since the prior year end.

Forthcoming financial reporting timetable

Interim Report January – September 2019	25 October 2019
Full Year Report 2019	12 February 2020
Interim Report January – March 2020	22 April 2020
Interim Report January – June 2020	22 July 2020

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, 24 July 2019

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.

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Registered in Malta. Company number C 39017

CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q2 2019	Unaudited Q2 2018	Unaudited Jan - June 2019	Unaudited Jan - June 2018	Audited Full Year 2018
Continuing operations:					
Gross winnings revenue	226.2	219.0	450.6	426.8	907.6
Betting duties	-48.3	-39.2	-100.5	-76.0	-158.7
Marketing revenue share	-11.5	-12.3	-24.8	-23.6	-50.0
Other cost of sales	-37.1	-34.5	-75.7	-69.1	-146.7
Cost of sales	-96.9	-86.0	-201.0	-168.7	-355.4
Gross profit	129.3	133.0	249.6	258.1	552.2
Marketing costs	-53.2	-51.3	-106.8	-92.8	-189.0
Administrative expenses	-55.6	-46.9	-105.6	-89.7	-189.1
Underlying profit before items affecting comparability:	20.5	34.8	37.2	75.6	174.1
Management incentive costs relating to acquisitions	-0.1	-0.2	-0.1	-0.4	-0.9
Accelerated amortisation of acquired intangible assets	-	-1.1	-	-2.7	-4.7
Amortisation of intangible assets that arose on acquisition	-1.5	-3.2	-3.0	-6.3	-11.3
Foreign currency (loss)/gain on operating items	-2.4	-0.6	0.8	-0.8	-1.2
Profit from operations	16.5	29.7	34.9	65.4	156.0
Finance costs	-1.9	-0.8	-3.3	-2.0	-4.6
Finance income	0.1	0.1	0.2	0.2	0.4
Foreign currency gain/(loss) on loan	-	-	0.5	-1.0	-2.0
Share of (loss)/gain from associates	-0.0	-0.1	0.1	-0.1	-0.3
Profit before tax	14.7	28.9	32.4	62.5	149.5
Income tax expense	-2.2	-3.4	-4.8	-7.1	-17.9
Profit after tax	12.5	25.5	27.6	55.4	131.6
Earnings per share (GBP)	0.055	0.112	0.122	0.244	0.580
Weighted average number of outstanding shares	226,593,080	227,197,119	226,593,069	227,513,121	227,043,853
Fully diluted earnings per share (GBP)	0.055	0.112	0.121	0.242	0.576
Weighted average number of fully diluted outstanding shares	228,237,074	228,174,188	228,246,379	228,483,383	228,348,308
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP 'm	Unaudited Q2 2019	Unaudited Q2 2018	Unaudited Jan - June 2019	Unaudited Jan - June 2018	Audited Full Year 2018
Profit for the period	12.5	25.5	27.6	55.4	131.6
Other comprehensive income					
Currency translation adjustments taken to equity	6.9	1.5	-3.2	-4.0	-2.0
Total comprehensive income for the period	19.4	27.0	24.4	51.4	129.6

CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 30 Jun 2019	Unaudited 30 Jun 2018	Audited 31 Dec 2018
Assets			
Non-current assets			
Goodwill	281.6	281.5	282.7
Other intangible assets	157.5	156.2	151.8
Investment in associates	1.9	2.1	1.9
Property, plant and equipment	40.3	35.1	37.4
Property, plant and equipment - right-of-use assets	70.9	-	-
Deferred tax assets	15.8	13.2	15.8
Convertible bond	6.7	6.7	6.8
Other non-current assets	2.3	2.2	3.2
	577.0	497.0	499.6
Current assets			
Trade and other receivables	60.6	49.3	52.9
Taxation recoverable	43.0	37.9	43.0
Cash and cash equivalents	109.2	127.1	160.3
	212.8	214.3	256.2
Total assets	789.8	711.3	755.8
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	13.4	14.6	16.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	212.2	158.2	236.7
Total equity	264.3	211.5	292.0
Non-current liabilities			
Borrowings	76.3	210.2	149.3
Lease liabilities	59.2	-	-
Deferred tax liabilities	4.3	5.7	4.3
	139.8	215.9	153.6
Current liabilities			
Borrowings	117.4	30.0	45.0
Lease liabilities	11.1	-	-
Trade and other payables	124.9	123.5	131.0
Customer balances	68.1	69.2	62.3
Deferred income	3.6	8.1	5.4
Tax liabilities	60.6	53.1	66.5
	385.7	283.9	310.2
Total liabilities	525.5	499.8	463.8
Total equity and liabilities	789.8	711.3	755.8

CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q2 2019	Unaudited Q2 2018	Unaudited Jan - June 2019	Unaudited Jan - June 2018	Audited Full Year 2018
Operating activities					
Profit from operations	16.5	29.7	34.9	65.4	156.0
Adjustments for:					
Depreciation of property, plant and equipment	3.8	3.2	7.4	5.9	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.7	-	4.5	-	-
Amortisation of intangible assets	7.4	8.6	14.2	17.5	33.8
Loss on disposal of intangible assets	-	0.0	-	0.0	0.3
Loss on disposal of property, plant & equipment	0.1	0.2	0.1	0.2	0.5
FX (loss)/gain on dividend	-0.4	0.3	-0.4	0.3	0.3
Share-based payments	0.6	0.5	1.0	1.0	2.2
Equity settled employee benefit plan	0.5	0.5	1.0	1.2	2.2
Operating cash flows before movements in working capital	31.2	43.0	62.7	91.5	208.3
Increase in trade and other receivables	-3.1	-8.5	-7.6	-11.1	-15.8
Increase in trade and other payables, including customer balances	3.9	23.3	4.4	25.4	21.4
Cash flows from operating activities	32.0	57.8	59.5	105.8	213.9
Net income taxes paid	-7.4	-6.6	-10.9	-8.7	-15.0
Net cash generated from operating activities	24.6	51.2	48.6	97.1	198.9
Investing activities					
Interest received	0.2	0.2	0.2	0.2	0.2
Interest paid	-1.5	-1.9	-3.2	-2.4	-3.7
Interest paid on lease liabilities	-0.4	-	-0.6	-	-
Purchases of other non-current assets	-	-1.8	-	-1.8	-1.8
Purchases of property, plant and equipment	-4.9	-9.8	-10.5	-16.6	-26.0
Proceeds from sale of property, plant and equipment	0.1	-	0.1	-	-
Development and acquisition costs of intangible assets	-7.6	-6.3	-20.0	-12.0	-23.5
Net cash used in investing activities	-14.1	-19.6	-34.0	-32.6	-54.8
Financing activities					
Repayment of lease liabilities	-1.9	-	-4.5	-	-
Dividend paid	-56.2	-125.6	-56.2	-125.6	-125.6
Treasury share purchase	-	-14.6	-	-14.6	-14.6
Proceeds from borrowings	57.6	112.0	57.6	112.0	112.0
Repayment of borrowings	-15.0	-15.0	-59.2	-67.6	-115.5
Net cash used in financing activities	-15.5	-43.2	-62.3	-95.8	-143.7
Net (decrease)/increase in cash and cash equivalents	-5.0	-11.6	-47.7	-31.3	0.4
Cash and cash equivalents at beginning of period	112.6	137.2	160.3	159.1	159.1
Effect of foreign exchange rate changes	1.6	1.5	-3.4	-0.7	0.8
Cash and cash equivalents at end of period	109.2	127.1	109.2	127.1	160.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q2 2019	Unaudited Q2 2018	Unaudited Jan - June 2019	Unaudited Jan - June 2018	Audited Full Year 2018
Opening balance at beginning of period	300.0	323.8	292.0	298.2	298.2
Adjustment on adoption of IFRS 16	-	-	2.1	-	-
Restated opening balance at beginning of period	300.0	323.8	294.1	298.2	298.2
Comprehensive income					
Profit for the period	12.5	25.5	27.6	55.4	131.6
Other comprehensive income:					
Translation adjustment	6.9	1.5	-3.2	-4.0	-2.0
	19.4	27.0	24.4	51.4	129.6
Transactions with owners					
Share awards - value of employee services	0.6	-1.0	1.0	-0.5	0.7
Treasury share purchase	-	-14.6	-	-14.6	-14.6
Equity settled employee benefit plan	0.5	0.4	1.0	0.9	1.9
Disposal of treasury shares	-	1.5	0.0	1.7	1.8
Dividend paid	-56.2	-125.6	-56.2	-125.6	-125.6
	-55.1	-139.3	-54.2	-138.1	-135.8
Closing balance at end of period	264.3	211.5	264.3	211.5	292.0

KEY RATIOS

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

	Unaudited Q2 2019	Unaudited Q2 2018	Unaudited Jan - June 2019	Unaudited Jan - June 2018	Audited Full Year 2018
Operating margin (Profit from operations/gross winnings revenue for the period)	7%	14%	8%	15%	17%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	2%	4%	4%	8%	18%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	23%	44%	25%	51%	53%
Equity:assets ratio	33%	30%	33%	30%	39%
EBITDA margin	13%	19%	14%	21%	22%
Unrestricted cash/EBITDA (rolling 12-month basis)	0.235	0.277	0.235	0.277	0.483
Net debt/EBITDA (rolling 12-month basis)	-0.872	-0.871	-0.872	-0.871	-0.475
Employees at period end	1,608	1,401	1,608	1,401	1,465
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.475	0.552	0.475	0.552	0.697
Net debt per share (GBP) (total cash at period end less customer balances and borrowings/number of shares at end of period)	-0.663	-0.792	-0.663	-0.792	-0.418
Operating cash flow before movements in working capital per share (GBP)	0.138	0.189	0.277	0.402	0.917
Earnings per share (GBP)	0.055	0.112	0.122	0.244	0.580
Fully diluted earnings per share (GBP)	0.055	0.112	0.121	0.242	0.576
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	231,767,299	231,104,478	231,767,299	231,104,478	231,434,971
Weighted average number of outstanding shares	226,593,080	227,197,119	226,593,069	227,513,121	227,043,853
Weighted average number of fully diluted outstanding shares	228,237,074	228,174,188	228,246,379	228,483,383	228,348,308

¹ As at 30 June 2019 the total issued shares was 230,126,200. Of these 3,533,120 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.

ALTERNATIVE PERFORMANCE MEASURES

The Group presents the following 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 defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies.

The following tables show the reconciliation of the Group's alternative performance measures to the most directly comparable measures reported in accordance with IFRS.

CONSOLIDATED INCOME STATEMENT MEASURES	Unaudited	Unaudited	Unaudited	Unaudited	Audited
GBP 'm	Q2	Q2	Jan - June	Jan - June	Full Year
	2019	2018	2019	2018	2018
Continuing operations:					
Profit from operations	16.5	29.7	34.9	65.4	156.0
Depreciation of property, plant and equipment	3.8	3.2	7.4	5.9	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.7	-	4.5	-	-
Amortisation of intangible assets	7.4	8.6	14.2	17.5	33.8
EBITDA	30.4	41.5	61.0	88.8	202.8
Management incentive costs relating to acquisitions	0.1	0.2	0.1	0.4	0.9
Underlying EBITDA	30.5	41.7	61.1	89.2	203.7
Gross winnings revenue	226.2	219.0	450.6	426.8	907.6
EBITDA margin	13%	19%	14%	21%	22%

CONSOLIDATED BALANCE SHEET MEASURES	Unaudited	Unaudited	Audited
GBP 'm	30 Jun	30 Jun	31 Dec
	2019	2018	2018
Cash and cash equivalents	109.2	127.1	160.3
Less: customer balances	-68.1	-69.2	-62.3
Unrestricted cash	41.1	57.9	98.0
Less: borrowings	-193.7	-240.2	-194.3
Net debt	-152.6	-182.3	-96.3

ADOPTION OF IFRS 16

The below table reconciles operating lease commitments disclosed as at 31 December 2018 to the lease liability recognised as at 1 January 2019.

	Unaudited 2019
GBP 'm	
Operating lease commitments disclosed as at 31 December 2018	83.8
Less: short-term leases recognised on a straight line basis as an expense	-0.4
Operating lease commitments in the scope of IFRS 16	83.4
Discounted using the Group's incremental borrowing rate as at the date of initial application	75.0
Lease liabilities recognised as at 1 January 2019	75.0
Of which are:	
Current lease liabilities	10.7
Non-current lease liabilities	64.3

The below table shows the right-of-use assets and corresponding lease liabilities recognised as at 1 January 2019 and as at 30 June 2019. All recognised right-of-use assets relate to the Group's premises.

	Unaudited 30 Jun 2019	Unaudited 1 Jan 2019
GBP 'm		
Right-of-use assets - premises	70.9	75.6
Lease liabilities:	70.3	75.0
Of which are:		
Current lease liabilities	11.1	10.7
Non-current lease liabilities	59.2	64.3

The below table recalculates comparatives of some of the Group's key metrics as though they were measured under IFRS 16.

	Unaudited Q2 2018	Unaudited Jan - Jun 2018	Audited Full Year 2018
GBP 'm			
EBITDA as previously disclosed	41.5	88.8	202.8
Add back rental costs previously recognised under IAS 17	1.2	2.2	4.6
EBITDA recalculated under IFRS 16	42.7	91.0	207.4
EBITDA margin as previously disclosed	19%	21%	22%
EBITDA margin recalculated under IFRS 16	19%	21%	23%
Underlying EBITDA as previously disclosed	41.7	89.2	203.7
Add back rental costs previously recognised under IAS 17	1.2	2.2	4.6
Underlying EBITDA recalculated under IFRS 16	42.9	91.4	208.3
Operating cash flows before movements in working capital as previously disclosed	43.0	91.5	208.3
Add back rental costs previously recognised under IAS 17	1.2	2.2	4.6
Operating cash flows before movements in working capital recalculated under IFRS 16	44.2	93.7	212.9

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	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	24.0	19.1	31.2	29.7	25.7	25.3	43.1	111.9	103.0
Western Europe	74.2	76.0	82.2	70.4	68.3	59.8	150.2	280.7	206.3
Central, Eastern and Southern Europe	8.8	8.3	8.7	9.5	7.9	8.0	17.1	34.1	26.0
Other	1.9	3.1	2.8	1.5	3.0	1.6	5.0	8.9	11.2
Total	108.9	106.5	124.9	111.1	104.9	94.7	215.4	435.6	346.5
Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	-7%	-25%	-9%	12%	26%	17%	-15%	9%	28%
Western Europe	9%	27%	10%	42%	52%	62%	17%	36%	51%
Central, Eastern and Southern Europe	11%	4%	1%	46%	34%	60%	8%	31%	35%
Other	-37%	94%	-15%	-50%	43%	-43%	9%	-21%	19%
Total	4%	12%	3%	30%	43%	-43%	8%	26%	41%
OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	43.4	42.8	48.3	49.3	48.3	48.7	86.2	194.6	194.0
Western Europe	61.7	63.4	65.5	60.0	55.1	55.0	125.1	235.6	178.7
Central, Eastern and Southern Europe	10.4	10.0	10.3	8.2	8.1	7.5	20.4	34.1	25.1
Other	1.8	1.7	1.1	2.1	2.6	1.9	3.5	7.7	7.1
Total	117.3	117.9	125.2	119.6	114.1	113.1	235.2	472.0	404.9
Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	-10%	-12%	-2%	-1%	2%	2%	-11%	0%	22%
Western Europe	12%	15%	17%	17%	41%	69%	14%	32%	62%
Central, Eastern and Southern Europe	28%	33%	36%	41%	45%	23%	31%	36%	-5%
Other	-31%	-11%	-73%	75%	86%	280%	-22%	8%	173%
Total	3%	4%	7%	11%	22%	30%	4%	17%	36%
TOTAL BY REGION	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	67.4	61.9	79.5	79.0	74.0	74.0	129.3	306.5	297.0
Western Europe	135.9	139.4	147.7	130.4	123.4	114.8	275.3	516.3	385.0
Central, Eastern and Southern Europe	19.2	18.3	19.0	17.7	16.0	15.5	37.5	68.2	51.1
Other	3.7	4.8	3.9	3.6	5.6	3.5	8.5	16.6	18.3
Total	226.2	224.4	250.1	230.7	219.0	207.8	450.6	907.6	751.4
Share of total %									
Nordics	30%	28%	32%	34%	34%	36%	29%	34%	40%
Western Europe	60%	62%	59%	56%	56%	55%	61%	57%	51%
Central, Eastern and Southern Europe	8%	8%	7%	8%	7%	7%	8%	7%	7%
Other	2%	2%	2%	2%	3%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	-9%	-16%	-5%	3%	9%	7%	-13%	3%	24%
Western Europe	10%	21%	13%	29%	47%	65%	16%	34%	56%
Central, Eastern and Southern Europe	20%	18%	17%	44%	39%	40%	19%	33%	12%
Other	-34%	37%	-47%	-14%	60%	6%	-7%	-9%	53%
Total	3%	8%	5%	19%	31%	36%	6%	21%	38%

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	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Sports Betting	108.9	106.5	124.9	111.1	104.9	94.7	215.4	435.6	346.5
Casino & Games	105.6	106.7	114.7	109.9	104.0	103.2	212.3	431.8	367.3
Poker	4.6	5.7	4.9	4.4	4.0	4.6	10.3	17.9	15.2
Other	7.1	5.5	5.6	5.3	6.1	5.3	12.6	22.3	22.4
Total	226.2	224.4	250.1	230.7	219.0	207.8	450.6	907.6	751.4
Share of total %									
Sports Betting	48%	47%	50%	48%	48%	46%	48%	48%	46%
Casino & Games	47%	48%	46%	48%	47%	50%	47%	48%	49%
Poker	2%	3%	2%	2%	2%	2%	2%	2%	2%
Other	3%	2%	2%	2%	3%	2%	3%	2%	3%
Quarterly Year-on-Year & Year-on-Year growth %									
Sports Betting	4%	12%	3%	30%	43%	43%	8%	26%	41%
Casino & Games	2%	3%	8%	11%	23%	33%	2%	18%	36%
Poker	15%	24%	7%	47%	3%	24%	20%	18%	22%
Other	16%	4%	-5%	-5%	17%	-7%	11%	0%	34%

Sports Betting gross margins

(GBP 'm)

	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Sports Betting Stakes	1,256.3	1,340.8	1,329.4	1,314.4	1,271.6	1,148.9	2,597.1	5,064.3	4,542.1
<i>Sports Betting Gross winnings revenue:</i>									
Live Betting	64.2	64.5	64.6	72.0	58.2	55.7	128.7	250.5	197.2
<i>Live Betting margin</i>	8.8%	8.3%	8.4%	8.6%	7.8%	8.1%	8.6%	8.2%	7.2%
<i>Live Betting share</i>	50.2%	49.7%	44.4%	55.2%	46.5%	50.1%	50.0%	48.9%	48.9%
Pre-game Betting	63.7	65.2	81.0	58.5	66.9	55.5	128.9	261.9	205.9
<i>Pre-game Betting margin</i>	12.0%	11.5%	14.4%	13.3%	13.2%	12.1%	11.8%	12.9%	11.5%
<i>Pre-game Betting share</i>	49.8%	50.3%	55.6%	44.8%	53.5%	49.9%	50.0%	51.1%	51.1%
Total before Free Bets	127.9	129.7	145.6	130.5	125.1	111.2	257.6	512.4	403.1
<i>Sports Betting margin (before FB)</i>	10.2%	9.7%	11.0%	9.9%	9.8%	9.7%	9.9%	10.1%	8.9%
Free Bets	-19.0	-23.2	-20.7	-19.4	-20.2	-16.5	-42.2	-76.8	-56.6
Total after Free Bets	108.9	106.5	124.9	111.1	104.9	94.7	215.4	435.6	346.5
<i>Sports Betting margin (after FB)</i>	8.7%	7.9%	9.4%	8.5%	8.2%	8.2%	8.3%	8.6%	7.6%

Total margin (all products)

(%)

	2019	2019	2018	2018	2018	2018	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Total margin all products* (before FB)	5.1%	5.0%	5.1%	4.9%	5.0%	4.9%	5.0%	5.0%	4.8%

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