

Kindred Group Press Release

Malta, 13 January 2020

Kindred Group plc – Unaudited trading update for the fourth quarter 2019

Since the publication of the third quarter report on 25 October 2019, gross winnings revenues across most markets have been impacted by weak sports betting margins. The margin after free bets was 8.1 per cent for the quarter, compared to 9.4 per cent in the fourth quarter of 2018. The gross turnover for the sportsbook increased by 3 per cent (5 per cent in constant currencies) compared to the fourth quarter 2018.

The most significant deviation in sports betting margin occurred in France. As betting duties in France were calculated on the basis of betting turnover, the financial impact was greatly increased. From 1 January 2020, the basis of calculation of betting duties in France has changed to a tax based on gross gaming revenue, which is more stable.

As previously communicated, Kindred has continued to grow its market presence in the US. For the fourth quarter of 2019, the negative impact on the underlying EBITDA was about GBP 6 million.

Gross winnings revenue and EBITDA have continued to be negatively impacted by regulatory changes in Sweden and the Netherlands, although performance in Sweden improved significantly compared to prior quarters.

Kindred estimates gross winning revenue for the fourth quarter of 2019 of about GBP 235 million (Q4-2018: GBP 250.1 million) unaudited.

Underlying unaudited EBITDA for the fourth quarter of 2019 is estimated to be in the range GBP 27-32 million (Q4-2018: GBP 58.8 million).

Active customers for the quarter amounted to 1.6 million which was an increase of 2 per cent compared to the same quarter last year.

Following on from the already implemented cost limitation actions earlier in 2019, Kindred's management will continue to implement a number of additional operational efficiency initiatives to ensure that the group can deliver growth in revenues and underlying EBITDA in 2020 compared to 2019.

The Interim report for the fourth quarter of 2019 will be published on 12 February 2020.

Kindred Group's CEO Henrik Tjärnström will host a call in English on Tuesday 14 January 2020 at 8.00 CET.

The telephone numbers are SE: +46 8 5664 2695, UK: +44 33 3300 9267.

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

For more information:

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About Kindred Group

Kindred Group is one of the world's leading online gambling operators with business across Europe, Australia and USA, offering over 27 million customers across 11 brands a great form of entertainment in a safe, fair and sustainable environment. The company, which employs about 1,600 people, is listed on Nasdaq Stockholm Large Cap and is a founding member of the European Gaming and Betting Association (EGBA) and founding member of IBIA (International Betting Integrity Association). Kindred Group is audited and certified by eCOGRA for compliance with the 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). Read more on www.kindredgroup.com.

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