

Kindred Group Press Release

Malta, 22 July 2022

Dutch market access in place and strategic execution continues

Kindred Group plc – Half year report: January – June 2022 (unaudited)

Second quarter 2022

- Total revenue (B2C and B2B) was GBP 238.7 (363.7) million
- Gross winnings revenue (B2C) decreased by 36 per cent (35 per cent in constant currency) to GBP 233.5 (363.7) million. Excluding the Netherlands, Gross winnings revenue declined by 13 per cent (12 per cent in constant currency)
- Underlying EBITDA decreased by 78 per cent to GBP 25.3 (113.7) million
- Profit before tax amounted to GBP 7.0 (102.5) million
- Profit after tax amounted to GBP 5.8 (87.1) million
- Earnings per share were GBP 0.03 (0.38)
- 1,101,410 shares/SDRs were purchased at a total value of SEK 105.4, or GBP 8.5 million
- Free cash flow amounted to GBP -5.1 (82.1) million
- Number of active customers was 1,336,706 (1,907,276)

Half year 2022

- Total revenue (B2C and B2B) was GBP 485.4 (716.3) million
- Gross winnings revenue (B2C) decreased by 34 per cent (32 per cent in constant currency) to GBP 475.9 (716.3) million. Excluding the Netherlands, Gross winnings revenue declined by 10 per cent (8 per cent in constant currency)
- Underlying EBITDA decreased by 77 per cent to GBP 49.8 (219.7) million
- Profit before tax amounted to GBP 14.6 (187.8) million
- Profit after tax amounted to GBP 12.2 (159.7) million
- Earnings per share were GBP 0.06 (0.70)
- 3,029,000 shares/SDRs were purchased, with a total value of SEK 299.9, or GBP 23.9, million
- Free cash flow amounted to GBP -10.6 (172.2) million

CEO Henrik Tjärnström comments the second quarter of 2022

“After a period of short-term headwinds, I look to the future with confidence as we see good progress with the Group’s key strategic priorities. We have received our long-awaited Dutch licence, our Kindred Sportsbook Platform (KSP) remains firmly on track, and Relax Gaming continues to show strong numbers. We are also nearing the end of a period of very tough COVID-19 comparatives, which have been giving a skewed view of our performance.”

“The second quarter is a seasonally low period of activity as sports leagues end, with major football tournaments only take place every other year. With an exceptional period of sports in 2021, with Euros 2020 causing higher-than-normal activity during Q2 2021, we are now back to a normal sports calendar. This, together with a sports betting margin of 9.3 (10.7) per cent after free bets for the quarter (significantly lower than the same period last year), have resulted in a year-on-year decline of 28 per cent in sports betting revenue when excluding the Netherlands.”

“On 8 June we finally received our licence from the Dutch Gambling Authority (KSA) and a process to connect all our systems and processes to the KSA began. We opened our doors to Dutch players on 4 July and have seen strong customer intake and activity in the period between 4 and 19 July. I am very pleased with this initial performance and expect to see our Unibet brand gradually reclaim a leading position in the Netherlands.”

“During the last year, the UK market has been impacted by stricter affordability checks self-imposed by the industry. These measures can be expected to continue over the coming quarters. Whilst impacting revenues in the short term, this ensures a more sustainable customer base.”

“The development of our proprietary sportsbook continues at pace and according to plan. We are recruiting spearhead competence to our tech and product teams, and the spirit in these teams is high. Once operational, our KSP will give us a unique and important flexibility to tailor our offering towards our customers across the world, providing them with an unforgettable experience and providing Kindred with a highly scalable platform while reducing our cost base.”

“We have an exciting period ahead of us with the Dutch market up and running, the continued development of our proprietary sportsbook, and not least the 2022 World Cup taking place in November and December. We also expect the headwinds experienced during past quarters to gradually ease off in the coming quarters. We have prepared and built our team and offering for the future, which we are now ready to fully embrace.”

Trading update up to and including 19 July 2022

The average daily Gross winnings revenue for the Group, up to and including 19 July 2022, was GBP 2.5 million, 24 per cent (24 per cent in constant currency) lower than the daily average for the full third quarter of 2021. Excluding the Netherlands, the average daily Gross winnings revenue for the Group, up to and including 19 July 2022, was GBP 2.3 million, 4 per cent (2 per cent in constant currency) lower than the daily average for the full third quarter of 2021.

Kindred launched in the Netherlands on 4 July and, during the period from going live up to and including 19 July, the average daily Gross winnings revenue for the Netherlands was GBP 153 thousand, increasing gradually throughout the period. This trading update is non-recurring, and a separate trading update will not be provided for the Netherlands going forward.

Kindred Group's presentation of the half year report

Kindred Group's CEO Henrik Tjärnström will host today, on Friday 22 July, a web presentation in English at 10.00 (CEST) which is web casted live on <https://www.kindredgroup.com/q22022>.

For those who would like to participate in the telephone conference in connection with the presentation, please call:

UK: +44 20 319 84884 (pincode: 1022970#)
US: +1 412 317 6300 (pincode: 1022970#)
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Please call in well in advance for registration. There will be an opportunity to ask questions after the presentation.

This disclosure contains information that Kindred Group is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014) and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person, on 22-07-2022 07:30 CET.

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About Kindred Group

Kindred Group is one of the world's leading online gambling operators with business across Europe, US and Australia, offering over 30 million customers across 9 brands a great form of entertainment in a safe, fair and sustainable environment. The company, which employs about 2,000 people, is listed on Nasdaq Stockholm Large Cap and is a 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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