

Kindred Group Press Release

Malta, 27 October 2022

Strategic value drivers in place and Netherlands off to a flying start

Kindred Group plc – Interim report: January – September 2022 (unaudited)

Third quarter 2022

- Total revenue (B2C and B2B) was GBP 277.8 (298.4) million
- Gross winnings revenue (B2C) decreased by 9 per cent to GBP 271.9 (298.4) million. Excluding the Netherlands, Gross winnings revenue increased by 8 per cent
- Underlying EBITDA decreased by 52 per cent to GBP 40.3 (84.8) million
- Profit before tax amounted to GBP 60.3 (71.8) million, impacted positively by the reassessment of the fair value of the Relax Gaming contingent consideration of GBP 39.6 million
- Profit after tax amounted to GBP 57.9 (60.6) million
- Earnings per share were GBP 0.26 (0.27)
- 1,356,205 shares/SDRs were purchased at a total value of SEK 122.5, or GBP 10.0 million
- Free cash flow amounted to GBP 49.3 (51.2) million
- Number of active customers decreased by 16 per cent to 1,466,986 (1,738,504)

January to September 2022

- Total revenue (B2C and B2B) was GBP 763.2 (1,014.7) million
- Gross winnings revenue (B2C) decreased by 26 per cent to GBP 747.8 (1,014.7) million. Excluding the Netherlands, Gross winnings revenue declined by 5 per cent
- Underlying EBITDA decreased by 70 per cent to GBP 90.1 (304.5) million
- Profit before tax amounted to GBP 74.9 (259.6) million, impacted positively by the reassessment of the fair value of the Relax Gaming contingent consideration of GBP 39.6 million
- Profit after tax amounted to GBP 70.1 (220.3) million
- Earnings per share were GBP 0.32 (0.97)
- 4,385,205 shares/SDRs were purchased, with a total value of SEK 422.4, or GBP 33.9, million
- Free cash flow amounted to GBP 38.7 (223.4) million

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CEO Henrik Tjärnström comments the third quarter of 2022

“At the start of the third quarter, we were finally able to welcome Dutch residents to our Unibet.nl site, following a nine-month period of not accepting bets from the Netherlands. Thanks to our strong brand awareness, unique product offerings, and an excellent team, we are off to a flying start. Like the Netherlands, most of our markets are displaying solid performances. This has significantly improved our underlying EBITDA margin and free cash flow when compared to the second quarter of 2022, which is a good indicator of our scalable business model.”

“Following a slow start to the quarter, due to a seasonally tame sports calendar in July, activity increased rapidly as football leagues resumed in early August. This is encouraging as we have the World Cup in Qatar taking place in November and December. Activity has been high across markets with Gross winnings revenue excluding the Netherlands increasing by 8 per cent compared to the same period last year. The sports betting margin came in at 9.9 per cent after free bets, higher than the same period last year and above the long-term average margin.”

“Since launching in the Netherlands on 4 July until the quarter end, active customers for the Dutch market have grown to 137 thousand. Based on this momentum, we estimate to achieve a 15 per cent market share in the Netherlands in the fourth quarter.”

“As previously communicated and as expected during a re-regulation process, we will gradually absorb the margin pressures resulting from the Dutch re-regulation. For the third quarter of 2022 we achieved underlying EBITDA of GBP 40.3 million, and an underlying EBITDA margin of 15 per cent. I am confident we have now passed the worst in terms of underlying EBITDA margin, with the third quarter already showing significant improvements compared to previous quarters. This is a step in the right direction towards our underlying EBITDA margin target of 21 to 22 per cent in 2025.”

“We continue to await the UK Gambling Act Review, which is delayed due to the governmental changes in the UK. While we expect increased affordability requirements, we remain positive on the clarity of future regulations and believe that enhanced sustainability measures will benefit our operations in the long term as risk levels will decrease.”

“We now look forward to a very exciting fourth quarter, with the Football World Cup taking place between 20 November and 18 December. The World Cup tournament is always a great opportunity for customer acquisition and reactivation, which normally means very high activity levels at the end of the tournament.”

Trading update up to and including 23 October 2022

The average daily Gross winnings revenue for the Group, up to and including 23 October 2022, was GBP 3.3 million, 27 per cent (25 per cent in constant currency) higher than the daily average for the full fourth quarter of 2021. The average daily Gross winnings revenue for the Group excluding the Netherlands, up to and including 23 October 2022, was GBP 2.8 million, 6 per cent (5 per cent in constant currency) higher than the daily average for the full fourth quarter of 2021.

Kindred Group's presentation of the third quarter interim report

Kindred Group's CEO Henrik Tjärnström will host today, on Thursday 27 October, a web presentation in English at 10.00 (CEST) which is web casted live on <https://www.kindredgroup.com/q32022>.

To access the telephone conference in connection with the presentation, please register at <https://conference.financialhearings.com/teleconference/?id=10010042>. After registration you will be provided phone numbers and a conference ID to access the conference.

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 27-10-2022 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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