

“Our strongest year to date, despite temporary headwinds”.
Henrik Tjärnström, CEO

KINDRED GROUP PLC

YEAR END REPORT JANUARY - DECEMBER 2021 (UNAUDITED)

Financial highlights

Fourth quarter 2021

- Following the acquisition of Relax Gaming, total reported revenue, inclusive of revenue from both B2B and B2C operations, was GBP 244.9 (364.7) million.
- Gross winnings revenue (B2C) decreased by 34 per cent to GBP 240.5 (364.7) million, partly as a result of ceasing activity in the Dutch market on 30 September.
- Underlying EBITDA decreased by 77 per cent to GBP 27.6 (118.2) million.
- EBITDA was impacted by a fair value gain of GBP 71.3 million in relation to the acquisition of Relax Gaming. See page 5 for more information.
- Profit before tax was GBP 78.8 (98.7) million.
- Profit after tax was GBP 75.0 (84.9) million.
- Earnings per share were GBP 0.33 (0.37).
- 2,402,000 shares/SDRs were purchased, with a total value of SEK 257.4, or GBP 21.6, million.
- Free cash flow amounted to GBP 7.7 (111.2) million.
- Number of active customers was 1,461,009 (1,781,617).

January - December 2021

- Total revenue amounted to GBP 1,259.6 (1,130.2) million.
- Gross winnings revenue (B2C) increased by 11 per cent to GBP 1,255.2 (1,130.2) million.
- Underlying EBITDA grew by 15 per cent to GBP 332.1 (288.2) million.
- Profit before tax was GBP 338.4 (193.1) million.
- Profit after tax was GBP 295.3 (165.2) million.
- Earnings per share were GBP 1.31 (0.73).
- 5,969,000 shares/SDRs were purchased, with a total value of SEK 790.0, or GBP 66.5, million.
- Free cash flow amounted to GBP 231.1 (267.5) million.
- The Board of Directors propose a dividend of GBP 0.337 (0.330) per share/SDR, equal to a total dividend of approximately GBP 75 million. See page 18.

Key highlights

- Completed the acquisition of Relax Gaming, adding a fast growing and high-margin business to the Group.
- Submitted our application for a Dutch licence at the end of November, according to plan.
- Tough comparatives, temporarily ceasing activity in the Dutch market and a lower-than-average sports betting margin have impacted the fourth quarter, however the underlying business continues performing strongly.
- Recorded the highest ever share of Gross winnings revenue from locally regulated markets, reaching 77 per cent.

Key figures

GBP m	Q4		Full year	
	2021	2020	2021	2020
Revenue	244.9	364.7	1,259.6	1,130.2
EBITDA	94.9	115.9	391.1	274.2
Underlying EBITDA	27.6	118.2	332.1	288.2
Profit before tax	78.8	98.7	338.4	193.1
Profit after tax	75.0	84.9	295.3	165.2
Earnings per share (GBP)	0.33	0.37	1.31	0.73
Net cash / EBITDA, rolling 12-month basis	0.22	0.38	0.22	0.38
Free cash flow	7.7	111.2	231.1	267.5
Active customers (No.)	1,461,009	1,781,617		

CEO comment

Our strongest year to date, despite temporary headwinds

Closing off 2021, we can look back at a strong year despite a slightly more challenging fourth quarter. Exceptionally strong numbers in 2020 led to tough comparatives for the quarter but despite the low sports betting margin at the beginning of the quarter, and the fact that we ceased services to Dutch residents, our fourth quarter delivered solid revenues of GBP 244.9 million, underlying EBITDA of GBP 27.6 million, and an underlying EBITDA margin of 11 per cent. During November and December, once the sportsbook margin had normalised, the underlying EBITDA margin was closer to 20 per cent, which is a testament to our long-term efforts to increase profitability from locally regulated markets.

Temporary headwinds impacting sportsbook while casino shows continued strong performance

The final quarter of the year was impacted by normalisation of the sporting calendar following an exceptional comparative quarter in 2020, and increased competition following the lifting of COVID-19 restrictions, as mentioned in our Q3 2021 report. After an exceptionally low sports betting margin at the start of the quarter, it came in at 8.5 per cent after free bets for the full quarter, lower than the long-term average. Casino continues to perform well and, adjusted for the Netherlands, showed stable growth.

Application for a licence in the Netherlands submitted

Kindred currently operates in 17 locally regulated markets globally, with 77 per cent of our Gross winnings revenue in the fourth quarter coming from these markets.

At the end of the third quarter, we took the decision to cease services to Dutch residents as the market in the Netherlands opened its local licence scheme. We have long advocated for this regulation, and it is great to see it finally materialising. Our Dutch licence application was submitted at the end of November as our “cooling-off” period ended, and the licensing process is advancing according to plan. Subject to licence application approval, we look forward to being a close partner to the Dutch community stakeholders and contributing to a sustainable gambling industry in the Netherlands.

Efforts to materialise synergies from the Relax Gaming acquisition well under way

2021 was a record year for Relax Gaming, with its highly scalable business model leading to revenue of EUR 28.9 million, growth of 31 per cent from the prior year, and underlying EBITDA of EUR 13.0 million, representing an underlying EBITDA margin of 45 per cent. Our acquisition of Relax Gaming closed on 1 October, and we are working towards achieving the identified annual synergies of GBP 6.9 million, as well as leveraging unique Relax content to differentiate our B2C product suite. Relax Gaming is focused on continued growth, with plans to enter the North American market during 2022, where we see long-term significant potential growth.

Canada and our proprietary platform are key focus areas in North America

North America remains our most important growth market and we are expanding according to plan. While competition in the US remains tough, we can see the strength and quality of our diversified product mix in states that offer both sports betting and casino. We have adopted a measured approach to marketing by not providing unsustainable customer incentives, allowing the Group to continue to work on the fundamentals and scale up once we have our product offering and brand in place. Our expansion into Canada, with a direct market access licence in Ontario expected in Q2 2022, will also give us the opportunity to use our strong Unibet brand, which we are very excited about.

An important part of our long-term growth plan in North America is our proprietary platform, set to launch in New Jersey in Q3 2022, following the certification process that starts in Q1. We have been working on our proprietary platform for a long time and see huge opportunities in terms of customer experience, marketing and customer data analysis, product integration, cost efficiencies, as well as safer gambling improvements. Once we have launched the platform in New Jersey, other states will follow.

Strong core business in Europe and Australia

With the North American business in its infancy, our more mature markets in Europe and Australia have performed well during the fourth quarter. Belgium, Denmark, Finland and the UK have all

delivered encouraging performance over the year. If we exclude the US, our markets in Europe and Australia grew revenue for the full year by 12 per cent compared to 2020 and delivered growth in underlying EBITDA of 19 per cent. This indicates the strength in our core market performance.

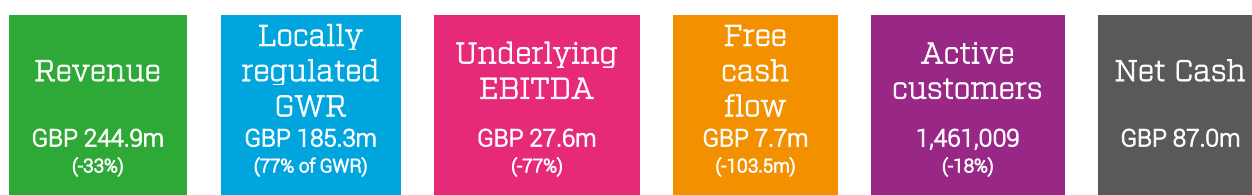
Dedicated focus on our journey towards zero

We maintain our dedicated focus on achieving our ambition to reach zero revenue from harmful gambling by 2023 and to be a trusted contributor towards fact-based dialogue. During Q4, revenue from high-risk customers was 4.0 per cent, an increase from Q3. We continue to focus efforts on eliminating this revenue through investing in proprietary technology and resources, and by working with partners inside and outside of the gambling industry.

Exciting opportunities for the future

Looking ahead, we have another exciting year of sports with the Winter Olympics in progress, and the first ever Winter FIFA World Cup in November. I'm also very excited about the opportunities we see as a licensed operator in the Netherlands, and our North America expansion together with the Relax team. We have now truly shifted gear on our transformation into a locally regulated operator with clear ambitions for the future.

Henrik Tjärnström, CEO



Significant events

During the quarter

- On 1 October 2021, Kindred completed the previously announced acquisition of the remaining outstanding shares in Relax Gaming, a leading and rapidly growing B2B iGaming supplier. See page 5 for full detail of the transaction and its impact on the Group for the fourth quarter.
- On 26 October 2021, Kindred communicated that its services would remain closed to Dutch residents until a Dutch licence was awarded. Subsequently, in November 2021, Kindred submitted its application for a local licence in the Netherlands. The licence process is advancing according to plan and, subject to KSA licence application approval, we look forward to being awarded our licence in Q2 2022. Kindred's ambition is to be a sustainable operator in the Netherlands and to contribute positively to the Dutch society. For further details please see the relevant [press release](#) (dated 26 October 2021).
- On 11 November 2021, Kindred announced that it had signed a new EUR 216.7 million multi-currency revolving credit facility agreement with two Nordic banks. The agreement spans a three-year period, with a one-year extension option, and the loan proceeds will be used to refinance the amounts outstanding under Kindred's existing facilities agreement and for the Group's general corporate purposes.
- On 29 November 2021, Kindred submitted its application for a local licence in Ontario, Canada, for its Unibet brand.
- During the quarter, under the buy-back mandate received at the Extraordinary General Meeting (EGM) on 10 June 2021, 2,402,000 shares/SDRs were purchased, with a total value of SEK 257.4, or GBP 21.6, million. At 31 December 2021, the total number of issued shares in the company is 230,126,200 and Kindred's holding of its own shares is 7,486,839. The intention of the Board is to cancel repurchased shares not required for the Group's employee share schemes, with approval already obtained from the shareholders at the EGM in June 2021.

After the end of the quarter

- On 7 February 2022, Kindred published its latest report on its share of revenue derived from high-risk customers, as part of its "journey towards zero". For the fourth quarter of 2021, this was 4.0 per cent. As previously reported, for the third quarter of 2021 this was 3.3 per cent.
- On 8 February 2022, Kindred announced that it is developing its proprietary award-winning Kindred Racing Platform into a complete in-house Sportsbook platform. This reflects Kindred's long-term strategy to gain greater end-to-end control of its product offering and customer experience. Kindred has also signed a new agreement with its trusted partner, Kambi, to use their B2B sports betting services until the end of 2026. For further details please see the relevant [press release](#) (dated 8 February 2022).

Trading update

The average daily Gross winnings revenue for the Group up to and including 6 February 2022 was 26 per cent (23 per cent in constant currency) lower than the daily average for the full first quarter of 2021.

Excluding the Netherlands, the average daily Gross winnings revenue for the Group up to and including 6 February 2022 was in line with (4 per cent higher in constant currency than) the daily average for the full first quarter of 2021.

Acquisition of Relax Gaming

On 1 October 2021, Kindred completed the acquisition of the remaining outstanding shares in Relax Gaming, a leading and rapidly growing B2B iGaming supplier. Kindred had been invested in Relax Gaming since 2013, and the transaction meant that the Group acquired the remaining 66.6 per cent of the outstanding shares.

The transaction valued Relax Gaming at up to EUR 320 million on a cash and debt free basis (enterprise value) and the total value of all outstanding shares at EUR 297.3 million. The transaction was financed through the Group's existing cash and credit facilities.

As a 'business combination achieved in stages' the Group was required to remeasure its previously held equity holding in Relax Gaming, of 33.4 per cent, at the acquisition date. The acquisition date fair value of the Group's interest in Relax Gaming immediately before obtaining control was GBP 76.2 million and, as a result, the Group recognised a fair value gain of GBP 71.3 million. This gain is a non-cash item and has been reported within items affecting comparability in the condensed consolidated income statement.

On completion of the transaction, all existing employee share option programmes in Relax Gaming were exercised and Relax Gaming's management retains an ownership of 7 per cent of the total fully diluted shares in the company. As a result, non-controlling interests are now presented in the condensed consolidated financial statements and valued as their proportionate share in the recognised amounts of Relax's net assets. Kindred's ownership in Relax Gaming after the transaction is 93 per cent of the total fully diluted shares. There is a put/call option structure in place which allows management to sell their shares to Kindred, and Kindred to buy management's shares, in the future. This structure includes a pre-agreed time period and applies a pre-defined valuation methodology.

The key balance sheet movements during the fourth quarter of 2021 in relation to the acquisition of Relax Gaming include:

- EUR 92.9 million settled in cash, which includes the initial consideration for the remaining outstanding shares of approximately EUR 85 million and approximately EUR 8 million for the acquisition of the newly issued shares in Relax from its management.
- Earn-out payments that may become payable in 2022 and 2023, subject to Relax Gaming achieving certain earnings thresholds, which were provisionally fair valued in accordance with relevant accounting standards to EUR 93.1 million at the acquisition date.
- The net assets of Relax Gaming which were also provisionally fair valued at the acquisition date, to EUR 101.3 million.
- Provisional goodwill of EUR 180.8, or GBP 154.8, million, calculated using the fair value of the previously held equity interest, along with consideration and non-controlling interest, less the fair value of identifiable net assets.

As a result of the acquisition, and to reflect that it now offers business-to-business (B2B) and business-to-consumer (B2C) services, the Group is now disclosing revenues from both revenue streams in one single line item, "Revenue", on the face of the condensed consolidated income statement. Further analysis and information can be found on page 12 and page 31.

Since the acquisition date Relax Gaming has contributed GBP 4.4 million of revenue and GBP 3.7 million of underlying EBITDA to the Kindred Group consolidated numbers.

Overall, 2021 was a record year for Relax Gaming in terms of revenue and underlying EBITDA, reflecting the success of its highly scalable business model. Revenue for the full year 2021 amounted to EUR 28.9 million, growth of 31 per cent from the full year 2020, and underlying EBITDA was EUR 13.0 million, representing an underlying EBITDA margin of 45 per cent. These numbers are Relax Gaming standalone numbers for the full year and do not correspond to what is included with the Kindred Group full year condensed consolidated financial statements.

Customer activity (B2C)

The total number of registered customers in the Group's B2C business increased to around 31.9 (29.7) million at 31 December 2021, whilst at 30 September 2021 over 31.4 million customers were registered.

For the fourth quarter of 2021, the number of B2C active customers amounted to 1,461,009 (1,781,617), an 18 per cent decrease compared to the fourth quarter of 2020 and a 16 per cent decrease compared to the third quarter of 2021. Active customers for the quarter have been negatively impacted by the decision to temporarily cease activity in the Dutch market on 30 September 2021, however, some strong performances in other markets across the Group have helped to compensate.

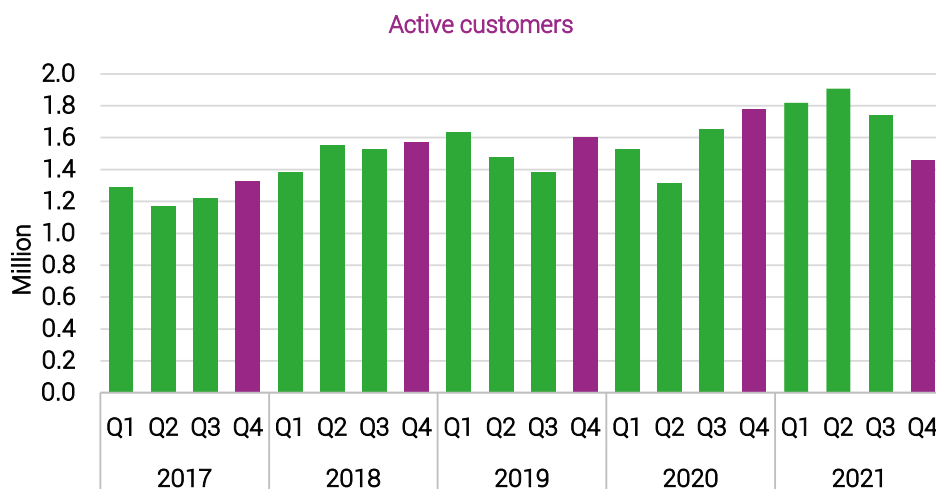
The trend in the number of active customers can be seen in the graph below, with an active customer defined as one placing a bet in the last three months.

1,461,009

Active customers for Q4 2021

-18%

Active customer decline from Q4 2020



Financial review

Revenue

GBP m	Q4		Full year	
	2021	2020	2021	2020
Gross winnings revenue (B2C)	240.5	364.7	1,255.2	1,130.2
Other revenue (B2B)	4.4	-	4.4	-
Revenue	244.9	364.7	1,259.6	1,130.2

Total reported revenue for the fourth quarter of 2021 amounted to GBP 244.9 (364.7) million and GBP 1,259.6 (1,130.2) million for the full year 2021. Included within this total is Gross winnings revenue, as previously reported by the Group for its B2C business, and other revenue, which is new for the quarter and derived from its B2B business, Relax Gaming.

For explanation of variances to the comparative periods in the prior year, refer to the relevant sections below and for further analysis of these numbers refer to page 31. For further detail on the change to revenue reporting, see page 22.

Gross winnings revenue (B2C)

Gross winnings revenue for the fourth quarter of 2021 amounted to GBP 240.5 (364.7) million and GBP 1,255.2 (1,130.2) million for the full year 2021. For the fourth quarter of 2021, Gross winnings revenue declined by 34 per cent (31 per cent in constant currency) from the same period in the prior year as it was impacted heavily by the decision to temporarily cease activity in the Dutch market on 30 September 2021. Excluding the Netherlands impact, the corresponding decline was reduced to 13 per cent and is primarily a result of the weaker sports betting margin and the impact of COVID-19 on the 2020 comparative. Despite these factors, Gross winnings revenue still grew by 11 per cent (13 per cent in constant currency) for the full year 2021, with strong growth across both the sports betting and casino product segments.

Gross winnings revenue from locally regulated markets, a key priority for the Group, stood at 77 (61) per cent of the total quarterly Gross winnings revenue, as shown in the graph on the following page. The percentage can vary slightly between quarters due to marginal variances in market performances, however the significant increase in the fourth quarter of 2021 is a direct result of the decision to temporarily cease activity in the Dutch market. Subject to licence application approval, on re-entering the Dutch market in the second quarter of 2022 the Group expects to further increase Gross winnings revenue from locally regulated markets, reflecting its progress in its ambition to be a locally regulated operator and to generate sustainable profits.

More information on Gross winnings revenue, split by both region and product segment, is provided on the following pages and in the appendix on pages 32 and 33.

GBP

244.9m

Total revenue for Q4 2021

-33%

Total revenue decline from Q4 2020 (-30% in constant currency)

GBP

240.5m

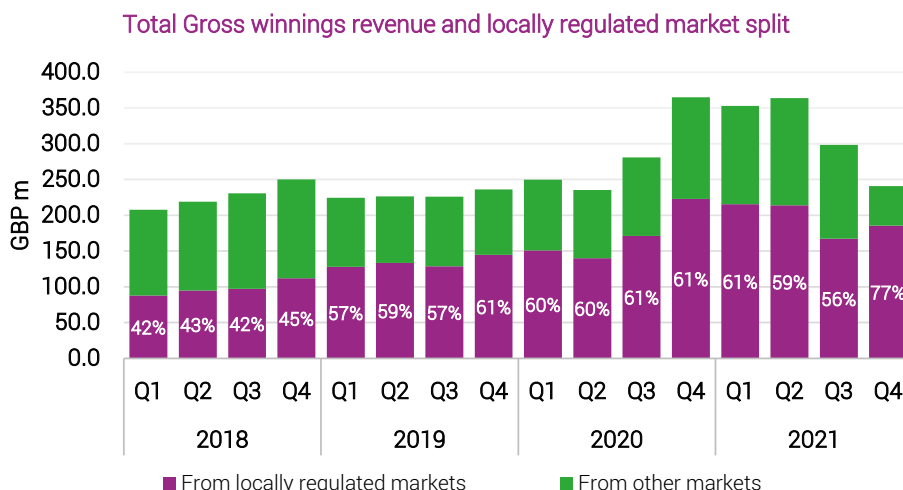
Gross winnings revenue for Q4 2021

-34%

Gross winnings revenue decline from Q4 2020 (-31% in constant currency)

77%

Gross winnings revenue from locally regulated markets for Q4 2021



Gross winnings revenue by region

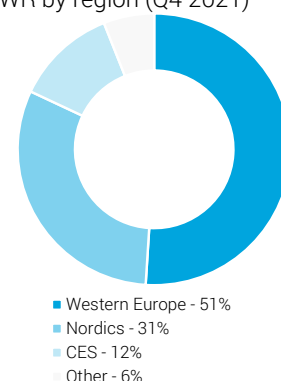
Western Europe

Western Europe Gross winnings revenue amounted to GBP 122.9 (238.3) million for the fourth quarter of 2021, a decrease of 48 per cent from the same period in 2020. On 30 September 2021, the Group announced that it had temporarily ceased all activity in the Dutch market, and this accounts for a large part of the decline. Excluding the Netherlands, Western Europe Gross winnings revenue for the fourth quarter decreased by 18 per cent compared to the same period in 2020 but increased by 10 per cent compared to the third quarter of 2021. The fourth quarter of 2020 reported record revenues in this segment across all key markets and offered a very tough comparative for 2021. For the Western Europe segment, excluding Netherlands, sportsbook had a particularly strong period with over-indexed margins and high activity, making up almost 60 per cent of Gross winnings revenue in the fourth quarter of 2020. Lockdown restrictions continued in several markets which limited other leisure opportunities, and there was also a condensed sportsbook schedule following disruption earlier in 2020.

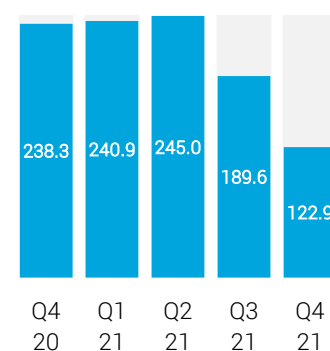
UK active customer growth remains strong, with the fourth quarter of 2021 reporting an increase of 8 per cent compared to the same period in 2020, and we are confident this will continue to fuel revenue development. The market has seen a slight decline in the fourth quarter of 2021 compared to the same period in 2020 (less than 10 per cent) but this should however be considered against the extremely strong growth achieved in recent years with 2021 reporting 46 per cent growth in the fourth quarter compared to the equivalent period in 2019. Whilst prior year comparatives will continue to be tough going into the first half of 2022, we continue to take market share and our mid-term growth outlook remains very positive.

For Belgium, the number of active customers continues to take strides increasing by 9 per cent in the fourth quarter of 2021 against the same period in 2020. This supports the 2 per cent increase in local currency reported in Belgium Gross winnings revenue this quarter. Gross winnings revenue from sports betting was impacted by a lower margin, however casino Gross winnings revenue reported growth of 12 per cent in the fourth quarter of 2021 compared to the equivalent 2020 period.

GWR by region (Q4 2021)



Western Europe GWR (GBP m)



France Gross winnings revenue was negatively impacted by the sports betting margin (before free bets) which saw a decrease of 2 percentage points in the fourth quarter of 2021 compared to the same period in 2020. The fourth quarter of 2021 again saw very strong comparatives, with a busy 2020 schedule that included French Open Tennis. Football turnover was also negatively impacted by COVID-adjusted scheduling when comparing to 2020. France saw a 28 per cent reduction in Gross winnings revenue in local currency in the fourth quarter of 2021 compared to the same period in 2020. Full year development was strong, however, with Gross winnings revenue increasing by 10 per cent in local currency compared to 2020. Sequentially, France achieved very strong growth of 32 per cent in local currency against the third quarter of 2021 which was the combined impact of improved activity and margin.

Nordics

Nordic Gross winnings revenue amounted to GBP 74.8 (75.3) million for the fourth quarter of 2021 and therefore landed broadly in line with the comparable period in 2020. Casino Gross winnings revenue has seen particularly positive performance in this segment, achieving growth of 24 per cent in the fourth quarter of 2021 compared to the same period in 2020.

The COVID-19 temporary restrictions in Sweden ended on 14 November, having been effective since mid-2020. Gross winnings revenue in Sweden for the fourth quarter of 2021 decreased 9% in local currency compared to the same period in 2020, despite strong development in the casino segment.

Gross winnings revenue in Finland has increased by 37 per cent in local currency in the fourth quarter of 2021 compared to the same period in 2020. This is partly driven by the Otto Kasino brand, which was launched in July 2020.

Central, Eastern and Southern Europe (CES)

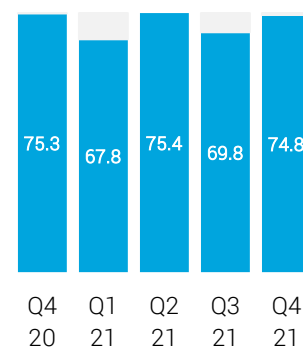
Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 27.6 (33.3) million in the fourth quarter of 2021, a decrease of 17 per cent compared to the same period in 2020. Romania continues to make a significant contribution to this segment but is reporting a 16 per cent decline in Gross winnings revenue in local currency in the fourth quarter of 2021 compared to the same 2020 period. Casino performance in Romania holds well, with the VladCazino brand achieving Gross winnings revenue growth of 12 per cent in local currency compared to the same period in 2020. Most of the performance gap compared to 2020 therefore relates to Gross winnings revenue from sports betting due to lower activity driven by more normalised sports scheduling and retail betting returning to being fully operational, as well as lower product margins. Active customers continue to develop well in Romania with 4 per cent growth noted in the fourth quarter of 2021 compared to the same period in 2020, and casino active customers increasing by 9 per cent in the same period.

Other regions

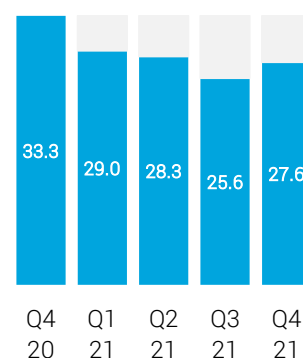
Other regions Gross winnings revenue amounted to GBP 15.2 (17.8) million for the fourth quarter of 2021, a decrease of 15 per cent from the same period in 2020.

Gross winnings revenue in Australia has increased by 21 per cent in local currency in the fourth quarter of 2021 compared to the same period in 2020. Sportsbook turnover has held well and, together with improved margin and bonus efficiencies, this has driven the improved performance.

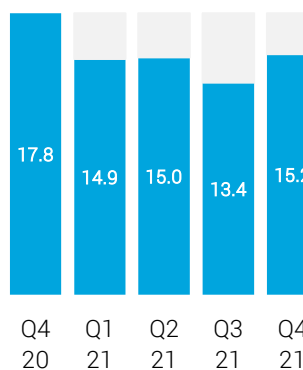
Nordics GWR (GBP m)



Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)



Gross winnings revenue for the US market amounted to GBP 6.2 (7.9) million in the fourth quarter of 2021, a decrease of GBP 1.7 million due to COVID-19 normalisation effects and tough competition in our active US states. Kindred continues to adopt a measured approach to marketing by not providing unsustainable customer incentives, allowing the Group to continue to work on the fundamentals and scale up once we have our product offering and brand in place. During the quarter, focus has also been placed on improving bonus efficiency within its six operational states, and thus reducing the percentage of bonuses as a proportion of revenue. We still see good growth opportunities for the market in the medium term, particularly in states where both sports betting and casino are live, and this will be supported by product strengthening thanks to the development of our proprietary platform (with roll-out planned for New Jersey in 2022). The 2022 marketing strategy will reflect this new focus.

During the fourth quarter of 2021, Kindred, alongside its partner the Quechan Tribe of Yuma, successfully launched a sportsbook retail site in Arizona within The Paradise Casino. Kindred continues to invest in opportunities aligned to its sustainable growth strategy, and the retail site presents an opportunity to expand Kindred's footprint and brand awareness.

In September, Kindred launched sports betting in both Iowa and Arizona. Throughout the fourth quarter of 2021, Kindred has continued to invest in both marketing and bonuses within these states, and Arizona is already Kindred's third largest state in terms of quarterly active customers. 3 new states have been added to Kindred's US portfolio when compared to the fourth quarter of 2020 (Virginia, Iowa and Arizona) and launch in these sportsbook-only states supports the strong growth in sports activity for the fourth quarter of 2021, with sports betting turnover increasing by 31 per cent in local currency compared to the same period in 2020.

Gross winnings revenue by product segment

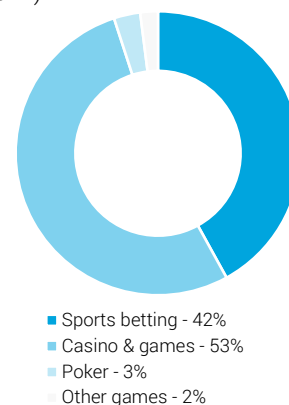
Sports betting

The gross margin for total sports betting for the fourth quarter of 2021 before free bets was 9.7 (11.4) per cent and after free bets was 8.5 (10.0) per cent, lower than the Group's long-term average sports betting margin of 9.1 per cent after free bets.

In recent years, the typical average sports betting margin for the Group has increased. This is generally due to the fact that the French sports business has grown faster than the average growth for other markets and, like all operators, Kindred is required to cap pay-out to customers at 85 per cent. However, sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events, and this quarter noted some normalisation of the longer-term trend. 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. Please refer to page 33 for more information on sports betting margins.

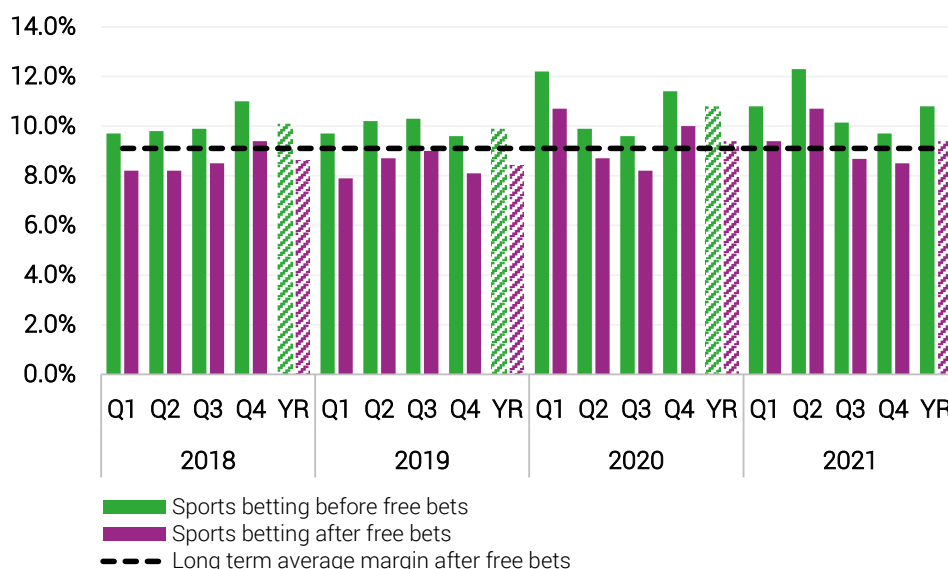
GWR by product segment (Q4 2021)



8.5%

Sports betting margin after free bets for Q4 2021, below the long-term average of 9.1%

Gross margin on sports betting



In the fourth quarter of 2021, Sports betting turnover has performed in line with expectation in most markets, whilst the ceasing of Dutch activity hurts comparisons to the same period in 2020. Gross winnings revenue finished 43 per cent behind the tough comparative set in the fourth quarter of 2020. Excluding Netherlands, Sportsbook Gross winnings revenue decreased by 28 per cent in the fourth quarter of 2021 compared to the same period in 2020, however this stood for a 13 per cent increase sequentially (when compared to the third quarter of 2021). Kindred’s proprietary racing product contributed 7 per cent to total sports betting Gross winnings revenue in the fourth quarter of 2021.

-43%
Sports betting Gross winnings revenue decrease from Q4 2020

In line with previous quarters, football was the top sport for sports betting turnover and the quarter benefitted from a busy schedule of international and domestic league games. Activity was however somewhat reduced in mid-December (usually one of the busiest periods in the quarter) as we saw several top-flight game postponements due to new COVID outbreaks. Match scheduling also returned to pre-COVID timetables, which has naturally reduced turnover compared to 2020, where we benefitted from increased spread of kick-off times and higher proportion of televised fixtures. As usual, the Champions League made up a significant portion of football turnover, however revenues from this league were negative due to a string of unfavourable results.

For other Sportsbook, seasonal comparatives are somewhat distorted due to COVID scheduling impacting 2020 numbers. In the fourth quarter of 2020, Sportsbook benefitted from the end of the French Open tennis as well as US Election betting – neither of which occurred in the fourth quarter of 2021. Comparatively, ice hockey and basketball betting has seen significant improvement in the fourth quarter of 2021 compared to the same period in 2020 where fans enjoyed the commencement of the 2021/22 NHL and NBA seasons at the start of the quarter against season postponements last year.

Casino & games

In the fourth quarter of 2021, Gross winnings revenue from casino is 25 per cent lower than the same quarter of the previous year. Excluding the Netherlands, Gross winnings revenue and quarterly active customers are both 4 per cent higher than the same quarter of the previous year, which is very encouraging considering the strong casino activity already seen in 2020. Our casino product continues to improve with the launch of new exclusive games and a more personalised experience.

-25%
Casino & games Gross winnings revenue decrease from Q4 2020

Poker and other products

Gross winnings revenue for the fourth quarter of 2021 from poker and other products amounts to GBP 12.2 million, a decrease of 27 per cent when compared to the same period of the prior year. The ceasing of Dutch activity had a negative effect on poker beyond the direct loss of revenue due to the loss of liquidity from Dutch customers. Excluding the Netherlands, Gross winnings revenue from poker and other products is 13 per cent lower than the same quarter of the previous year.

-19%

Poker Gross winnings revenue decrease from Q4 2020

Other revenue (B2B)

Other revenue for the fourth quarter of 2021 amounted to GBP 4.4 (nil) million and comprises solely of a full quarter of revenue from the Relax Gaming B2B business acquired by the Group on 1 October 2021, hence there are no comparative figures. Other revenue included in the condensed consolidated income statement relates only to revenue generated by Relax Gaming from all other gaming operators. See pages 22 and 31 for further information.

GBP

4.4m

Other revenue for Q4 2021

The fourth quarter of 2021 was the best performing quarter ever for Relax Gaming due to the continued growth in its customer base and successful launch of new games and content.

For the full year 2021, Relax Gaming's total revenue (standalone revenue for the full year and not as reported by Kindred in its condensed consolidated financial statements) amounted to EUR 28.9 million, growth of 31 per cent from the full year 2020.

Group costs and profitability

Cost of sales

GBP m	Q4		Full year	
	2021	2020	2021	2020
Betting duties	-58.5	-75.4	-255.3	-231.0
Marketing revenue share	-10.6	-15.5	-52.0	-53.6
Other cost of sales	-38.4	-52.2	-198.7	-180.4
Cost of sales	-107.5	-143.1	-506.0	-465.0

Cost of sales movements generally correlate directly with movements in revenues, with betting duties and marketing revenue share relating to the Group's B2C operations only. From the fourth quarter of 2021 other cost of sales also includes Relax Gaming.

For the fourth quarter of 2021 all elements of cost of sales decreased when compared to the same period in the prior year in line with the significant decrease in revenues previously discussed. Betting duties decreased at a lower rate than Gross winnings revenue given the significant impact of the cessation of activity the Dutch market had on Gross winnings revenue but not betting duties.

Gross profit

Gross profit for the quarter was GBP 137.4 (221.6) million, a decrease of 38 per cent from the fourth quarter of 2020. Gross profit for the full year 2021 was GBP 753.6 (665.2) million, an increase of 13 per cent from the full year 2020. Movements in gross profit are led by movements in revenue as previously explained.

Marketing costs

Marketing costs amounted to GBP 59.1 (60.9) million for the quarter and GBP 234.7 (203.6) million for the full year 2021. Although the Group continues to invest in marketing to drive future business growth, the variances to the same periods of 2020 were generally impacted by the effect of COVID-19 on sporting events during 2020. Marketing costs in 2020 were lower as a result, however the full sporting calendar in the final quarter of 2020 led to higher comparatives and thus explains the reduction in costs when comparing to the final quarter of 2021.

Marketing for the B2C business (including marketing revenue share within cost of sales) as a percentage of Gross winnings revenue remains a key performance indicator for the Group's B2C business. Following the acquisition of a B2B business this metric remains in line with previous quarters and relates to the B2C business only. See page 22 for more information. This metric has increased to 29 (21) per cent for the quarter when compared to the same period of 2020, primarily because of the significant decrease in revenue already discussed. For the full year 2021 this brings the percentage to 23 (23) per cent. Although prior year marketing levels were impacted by COVID-19 the level of marketing has been maintained, demonstrating the Group's focus on marketing efficiencies throughout 2021.

29%

B2C marketing, as a percentage of Gross winnings revenue for Q4 2021

23%

B2C marketing, as a percentage of Gross winnings revenue for FY 2021

Administrative expenses

The Group's increased focus on costs in recent quarters has resulted in a stable cost base, and scalability, as can be seen in the graph "Expenses as a % of revenue (LTM)". See page 22 for more information on the change in this metric from Gross winnings revenue to total revenue following the acquisition of Relax Gaming. In the fourth quarter these metrics have increased slightly, predominantly due to the significant decrease in revenue, as previously explained.

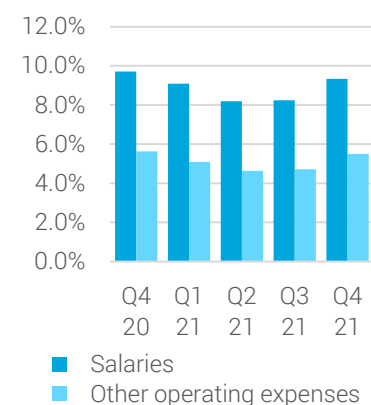
GBP m	Q4		Full year	
	2021	2020	2021	2020
Salaries	-31.1	-27.2	-117.5	-109.7
Other operating expenses	-19.6	-15.3	-69.3	-63.7
Depreciation of property, plant and equipment	-3.8	-3.8	-14.8	-15.1
Depreciation of right-of-use assets	-3.0	-2.9	-11.1	-11.3
Amortisation of intangible assets	-7.7	-5.6	-23.0	-34.2
Total administrative expenses	-65.2	-54.8	-235.7	-234.0

The increases in salaries in the fourth quarter of 2021 and the full year 2021 when compared to the same periods in 2020 are due to the acquisitions of Blancas and Relax Gaming during 2021, as well as selected growth in headcount across the rest of the existing business where we expect to see future benefit from further investment.

Other operating expenses for the quarter increased by GBP 4.3 million from the same period in 2020, and by GBP 5.6 million for the full year 2021 due to anticipated business growth during 2021, including the acquisitions made during the year. The prior year comparatives were also lower than usual as a result of the impact of COVID-19.

The increase in total amortisation of intangible assets in the fourth quarter of 2021 compared to the same period in 2020 is predominantly a result of additional amortisation charges following the fair valuing of intangibles from the acquisition of Relax Gaming. These are expected to result in additional charges of approximately GBP 2.1 million each quarter going forward. The decrease for the full year 2021 when compared to the same period in 2020 is largely a result of the one-off charges of GBP 6.9 million taken during the first quarter of 2020 following the discontinuation of certain brands and assets from the 32Red acquisition in 2017 which were fully amortised by the end of the second quarter of 2020.

Expenses as a % of revenue (LTM)



Underlying EBITDA

GBP m	Q4		Full year	
	2021	2020	2021	2020
Gross profit	137.4	221.6	753.6	665.2
Marketing costs	-59.1	-60.9	-234.7	-203.6
Salaries	-31.1	-27.2	-117.5	-109.7
Other operating expenses	-19.6	-15.3	-69.3	-63.7
Underlying EBITDA	27.6	118.2	332.1	288.2

GBP

27.6m

Underlying EBITDA for Q4 2021

From the fourth quarter of 2021, the definition of underlying EBITDA has been updated and the comparatives updated for ease of comparison. See page 22 for further information and page 29 which includes comparatives for the previous twelve quarters for ease of comparison.

Underlying EBITDA for the quarter, as defined above, decreased by 77 per cent from the same period in the prior year and was driven by the decrease in Gross profit and increase in salaries and other operating expenses, both explained previously. Despite the impact of the fourth quarter, for the full year 2021 underlying EBITDA increased by 15 per cent from the full year 2020, an increase that is testament to the underlying growth of the business.

The underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the US market of GBP 9.3 (5.7) million as the Group continues to invest in marketing, in line with its strategy to build our brand and grow this market for the future. It also includes the impact of Relax Gaming on the Group's consolidated numbers of GBP 3.7 million.

Items affecting comparability

GBP m	Q4		Full year	
	2021	2020	2021	2020
Personnel restructuring costs	-0.5	-2.0	-1.0	-4.2
Merger and acquisition costs	-1.8	-0.1	-5.8	-0.4
Disputed regulatory sanction	-	-	4.2	-8.0
Other gains/(losses) - net	-1.7	-0.2	-9.7	-1.4
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	71.3	-	71.3	-
Impairment losses	-	-3.9	-	-7.8
Items affecting comparability	67.3	-6.2	59.0	-21.8

Items affecting comparability amounted to a positive contribution of GBP 67.3 (negative contribution of 6.2) million for the quarter and a positive contribution of GBP 59.0 (negative contribution of 21.8) million for the full year 2021. During the quarter, certain changes have been made to items affecting comparability and the relevant comparatives updated. See page 22 for more information.

During the fourth quarter GBP 1.8 (0.1) million of merger and acquisition costs were recognised in relation to the acquisition of Relax Gaming on 1 October 2021, taking the total costs for the full year 2021 to GBP 5.8 (0.4) million.

During the second quarter of 2021 the disputed regulatory sanction from the Swedish Gambling Authority of SEK 100.0 (GBP 8.0) million, recognised in the first quarter of 2020, was reduced to SEK 50.0 million, with the reduction of the provision of GBP 4.2 million recognised as a credit to the income statement. Kindred has since applied for permission to appeal this decision and it is only once a final judicial decision has been issued that a fine, if any, becomes payable. Kindred maintains a full provision for its current exposure.

Other gains/(losses) – net primarily comprises foreign currency losses of GBP 0.7 (0.2) million for the fourth quarter of 2021 and GBP 8.7 (1.4) million for the full year 2021. Kindred operates internationally and its results are therefore naturally impacted by currency

fluctuations. This primarily comprises unrealised foreign currency differences relating to the retranslation of foreign currency current assets and liabilities, including both cash and customer balances. The significant loss for the full year 2021, as previously communicated, was due to a larger than usual impact in the first quarter of 2021 as a result of significant rate movements impacting the Group's significant cash balances. For the fourth quarter of 2021, fair value adjustments on contingent consideration in relation to the Relax Gaming acquisition and on forward contracts, both new in the quarter, were also included in this balance.

The Relax Gaming acquisition was deemed a 'business combination achieved in stages' and, as a result, the Group was required to remeasure its previously held equity holding at the acquisition date to fair value. This has resulted in the recognition of a non-cash fair value gain of GBP 71.3 million in the Group's condensed consolidated income statement. See page 5 for further information.

Impairment losses for the full year 2020 were one-off charges from the reassessment of the fair value of goodwill balances and are not relevant for 2021.

EBITDA and profit from operations

GBP m	Q4		Full year	
	2021	2020	2021	2020
Underlying EBITDA	27.6	118.2	332.1	288.2
Personnel restructuring costs	-0.5	-2.0	-1.0	-4.2
Merger and acquisition costs	-1.8	-0.1	-5.8	-0.4
Disputed regulatory sanction	-	-	4.2	-8.0
Other gains/(losses) - net	-1.7	-0.2	-9.7	-1.4
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	71.3	-	71.3	-
EBITDA	94.9	115.9	391.1	274.2
Depreciation of property, plant and equipment	-3.8	-3.8	-14.8	-15.1
Depreciation of right-of-use assets	-3.0	-2.9	-11.1	-11.3
Amortisation of intangible assets	-7.7	-5.6	-23.0	-34.2
Impairment losses	-	-3.9	-	-7.8
Profit from operations	80.4	99.7	342.2	205.8

EBITDA for the fourth quarter of 2021 was GBP 94.9 (115.9) million, and for the full year 2021 was GBP 391.1 (274.2) million. Profit from operations for the fourth quarter of 2021 was GBP 80.4 (99.7) million, and for the full year 2021 was GBP 342.2 (205.8) million. On top of the reasons provided previously for underlying EBITDA, the variances in these metrics from the prior year were impacted by changes in items affecting comparability and amortisation charges as detailed on the previous page.

Net finance costs/income

Net finance costs for the fourth quarter of 2021 were GBP 1.5 (1.3) million. Net finance costs for the full year 2021 were GBP 5.2 (5.8) million. This primarily comprises interest and fees on borrowings which amounted to GBP 1.7 (1.0) million for the fourth quarter and GBP 4.6 (4.9) million for full year 2021.

Profit before tax

Profit before tax for the fourth quarter of 2021 was GBP 78.8 (98.7) million. Profit before tax for the full year 2021 was GBP 338.4 (193.1) million.

Profit after tax

Profit after tax for the fourth quarter of 2021 was GBP 75.0 (84.9) million. Profit after tax for the full year 2021 was GBP 295.3 (165.2) million.

GBP

75.0m

Profit after tax for Q4 2021

Other comprehensive income

The foreign currency gains and losses on borrowings reported in the condensed consolidated income statement during 2020 relate to the revaluation of the Group's multicurrency facilities. On 1 January 2021, the Group implemented a net investment hedge relationship between its EUR and SEK multicurrency facilities and its foreign operations' net assets denominated in the same currencies. During the period, the Group assessed the 'effectiveness' of the net investment hedge in accordance with the requirements of IFRS 9 and accordingly the foreign exchange difference on revaluation of the Group's facilities was recognised in other comprehensive income as 'gains on net investment hedge'. This amounted to a gain of GBP 2.2 million for the fourth quarter and a gain of GBP 6.4 million for the full year 2021. At 31 December 2021, GBP 6.4 million in relation to the cumulative effective portion of the current hedging relationship is held within the Group's currency translation reserve.

Other amounts reported within other comprehensive income, as 'currency translation adjustments', and subsequently held within the Group's currency translation reserve, predominantly relate to exchange differences arising on the translation of subsidiary reserves, goodwill and fair value adjustments arising on acquisition of a foreign entity and translation differences relating to long-term non-trading inter-company balances.

Financial position

On 11 November 2021, the Group signed a new EUR 216.7 million multi-currency revolving credit facility agreement with two Nordic banks. The agreement spans a three-year period, with a one-year extension option, and has an uncommitted accordion feature that permits, under certain conditions, an increase in total commitments up to EUR 325 million.

At 31 December 2021, GBP 112.5 (119.0) million of the Group's facilities was utilised out of a total of GBP 182.1 (280.0) million. The total borrowings recognised in the statement of financial position of GBP 111.6 (118.3) million are reported net of the associated transaction fees which were incurred upon entering the facilities agreement and which are being expensed over its duration. During the quarter the total borrowings have been reclassified from current to non-current liabilities as the new facility is repayable in full in November 2024 at the earliest.

The Group remains in a net cash position, amounting to GBP 87.0 (104.7) million at the 31 December 2021. Net cash/EBITDA (rolling 12-month basis) for the quarter was 0.22 (0.38).

GBP

87.0m

Net cash at 31 December 2021

Cash and cash equivalents at the end of the fourth quarter of 2021 stood at GBP 270.6 (300.5) million while at the beginning of the quarter it was GBP 409.0 (207.8) million. Please refer to the cash flow section for more detail on the movement during the period and to page 29 for a reconciliation of the unrestricted cash balance.

During the quarter, the Group acquired Relax Gaming with the impact of the acquisition seen across several line items in the condensed consolidated balance sheet. On top of the impact on cash balances, as noted in the cash flow section, the impact is most notably seen in goodwill and other intangible assets and other financial liabilities through profit and loss (relating to the contingent consideration). Full detail is disclosed on page 5.

Capital investments

The most significant capital investments for the Group are in relation to the development and acquisition of intangible assets. Intangible assets, excluding those arising from acquisitions, comprise development costs, computer software and licences.

In the fourth quarter of 2021 intangible assets of GBP 8.7 (5.0) million have been capitalised, bringing the total capitalised for the full year 2021 to GBP 34.4 (20.7) million. During the quarter, the increase relates primarily to an increase in capitalised development costs, as explained below. On top of this, for the full year the increase is also attributable to GBP 4.2 million for global exclusivity rights on several slot games, allowing these games to only be offered by Kindred, as well as gaming licences due to the Group's continued expansion in the US.

Capitalised development costs primarily represent capitalised salary costs for those working on the development and enhancement of the platform. Capitalised development costs for the fourth quarter of 2021 were GBP 8.5 (5.0) million, bringing the total capitalised for the full year 2021 to GBP 27.7 (20.4) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining. The increase when compared to the same periods in 2020 is a result of increased headcount and capitalisation levels returning to more normal levels in 2021. For the fourth quarter there is also an additional impact of GBP 0.9 million for Relax Gaming development costs.

Cash flow

Net cash generated from operating activities amounted to GBP 13.2 (123.9) million for the fourth quarter of 2021, with the significant decrease when comparing to the same quarter in 2020 a result of the significant decline in underlying EBITDA. This brought the total for the full year 2021 to GBP 282.3 (316.1) million. Both the quarter and the full year variances were also impacted by working capital movements, to different extents. This was caused by the difference in activity between the fourth quarter of 2020, which was boosted by the impact of COVID-19, and the fourth quarter of 2021, impacted by the reduction in activity following the cessation of activity in the Dutch market. There were also significant variations caused by the timing of the invoicing and payment of costs during the fourth quarter of the full year 2021 in contrast to the full year 2020.

Cash flows used in investing activities were GBP 82.8 (7.1) million for the fourth quarter and GBP 141.8 (25.5) million for the full year 2021. For the fourth quarter of 2021, the increase from the same period in 2020 is predominantly due to the acquisition of Relax Gaming. For the full year 2021, the increase from the same period in 2020 also includes the acquisition of Blancas NV during the second quarter of 2021, as previously reported, with the remaining increase relating to capital investments, as detailed above.

Cash flows used in financing activities for the quarter were impacted by share purchases totalling GBP 21.6 (nil) million as well as the payment of the second instalment of the 2020 dividend of GBP 37.0 (nil) million. As part of the transfer to its new credit facility agreement in November the Group also drew down from the new facility to repay the outstanding amount of GBP 113.7 million on the old facility at that date, although this had no overall impact on cash flow.

GBP m	Q4		Full year	
	2021	2020	2021	2020
Net cash generated from operating activities	13.2	123.9	282.3	316.1
Purchases of property, plant and equipment	-2.7	-2.1	-10.6	-5.2
Development and acquisition costs of intangible assets	-8.7	-5.0	-34.4	-20.7
Interest paid on lease liabilities	-0.3	-0.4	-1.3	-1.3
Repayment of lease liabilities	-2.3	-2.9	-10.4	-11.3
Adjust for: customer balance movement	8.5	-2.3	5.5	-10.1
Free cash flow	7.7	111.2	231.1	267.5

Free cash flow, as defined in the table above, for the fourth quarter of 2021 was GBP 7.7 (111.2) million, a decrease of GBP 103.5 million from the fourth quarter of 2020 and GBP 231.1 (267.5) million for the full year 2021, a decrease of GBP 36.4 million from the same period of 2020. This is predominantly a result of movements in net cash generated from operating activities and capital investments, as explained above.

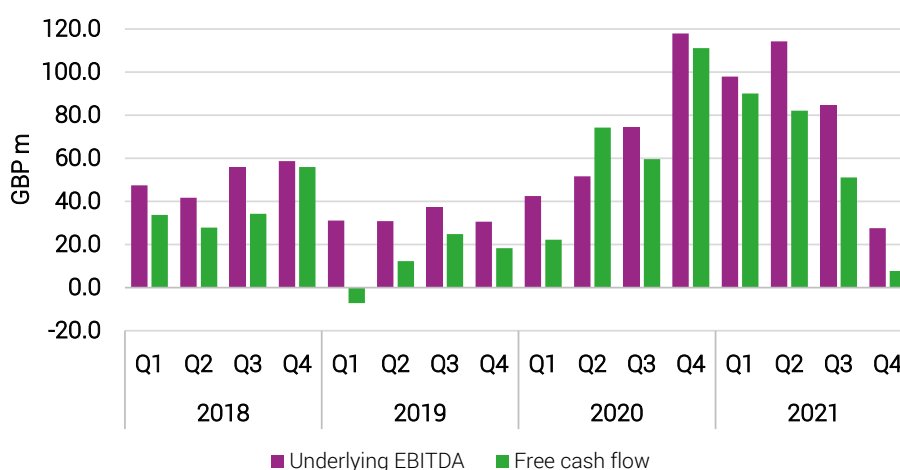
GBP

7.7m

Free cash flow for Q4 2021

The quarterly underlying EBITDA and free cash flow is shown in the graph below, with cash conversion for the fourth quarter of 2021 standing at 28 (94) per cent. The decrease from the fourth quarter of 2020 is primarily due to the decline in underlying performance, as explained previously. Cash conversion over the last twelve months to the end of the fourth quarter of 2021 amounts to 70 (93) per cent and is therefore more aligned with the previous year comparative, however, still reflects the significant impact of the decline in the fourth quarter of 2021.

Underlying EBITDA and free cash flow



Dividend proposal for 2021

In respect of the financial year 2021, the Board of Directors propose an ordinary dividend of GBP 0.337 per share, equal to a total dividend of approximately GBP 75 million, to be paid out in two equal tranches, in the second quarter and the fourth quarter of 2022.

Operational review

Market update

Following the exceptionally busy 2020 sporting calendar, activity levels in the fourth quarter of 2021 normalised to pre-pandemic levels. Mindful of scrutiny around the volume of customer communications in some markets, Kindred took the decision to reduce acquisition messaging and bonus campaigns in these markets to avoid further negative attention. The Norwegian government is also discussing a new gambling act and these developments are being monitored by the Group.

Advertising volumes and calls for advertising restrictions remain common topics across most markets. Kindred is taking part in discussions via trade associations to push for more sustainable marketing content and volumes in markets where we operate, as well as across Europe via the European Gaming and Betting Association.

In Denmark, the Minister for Taxation has presented a roadmap for new gambling legislation, including increased focus on AML as well as responsible gambling requirements targeting younger adults. Details are expected to be discussed in parliament during Q1 2022. During the fourth quarter, Kindred was warned by the Danish Gambling Authority (DGA), as part of a wider industry review by the regulator, for failings regarding AML related actions and measures in a specific customer case and is under investigation in additional cases. Kindred has been working with the DGA to improve internal procedures.

The Group also currently has open reviews by both the UK Gambling Commission and the Financial Intelligence Analysis Unit in Malta. Management has been and will continue cooperating with the relevant authorities by supplying them with any additional requested information. These reviews, which are expected within the industry, are ongoing and fully accounted for based on the information available to date, although a final outcome is only expected to be known in the coming months.

In Belgium, the Constitutional Court annulled the provision in law stipulating that betting operators were obligated to pay horse racing bodies in order to offer bets on horse racing.

In the Swedish market, the second year of the Swedish Elite Football sponsorship has been wrapped up, with great feedback from partners, clubs, fans and customers. A similar response has been seen in Denmark following the previously communicated shirt sponsorship deal with FC Copenhagen.

The chess World Champion, and Unibet Ambassador, Magnus Carlsen defended his World Championship title in Dubai wearing the Unibet brand. Kindred continues its commitment to chess in Norway through the partnership with Offerspill.

Product segment update

Racing update

Kindred's proprietary horse racing product has received further recognition at the annual EGR Awards, winning the EGR Horse Race Betting Operator of the Year 2021. This is a great acknowledgement to the Kindred Racing team and a testament of Kindred's ability to build world-class content in house. During the quarter, work was completed on the promotion mechanic toolbox on the Kindred Racing Platform, which allows Kindred to take more control over Best Odds Guaranteed. Furthermore, a new contract was signed with SIS Racing to get their content on 32Red.

Sportsbook update

Kindred's popular Betbuilder and Watch & Bet features were launched in France during the fourth quarter. This is an important new market launch considering Unibet's strong position in France and the reception from customers will be closely monitored. The Watch & Bet feature is now enabled on Ice Hockey, Basketball, Table Tennis and Darts, on top of Football and Tennis. Live sports visualisation is also an important customer experience improvement and the Unibet brand is now live in the US with Sportradar Live across all sports.

The BetShare feature introduced ahead of the Euro2020 tournament in June 2021 continues to show positive momentum, with the average number of times a player opens the BetShare tool per month nearly doubling since the Euros.

The sportsbook team also launched a new sportsbook lobby across all sports and markets except in the US and Canada where it is expected to launch in the first half of 2022. The first ever retail location has also been opened in Arizona.

Casino & Games update

During the quarter, Kindred launched twenty-two exclusive games, as well as branded versions of two popular live casino games 'Lightning Blackjack' and 'Lightning Roulette'. The Kindred team also continued to roll out the new casino and live casino lobbies in additional markets, providing a cleaner, faster, and easier way for players to navigate to their favourite games.

Poker update

Another important poker product delivery was achieved, being the re-design of the table user interface on both desktop, landscape, and portrait mode. This has been done to improve the visibility of the elements at the table and make for smoother game flow. Together with the table re-design the team released a completely new table chat feature, an important improvement as table talk is a big part of poker. To avoid free text becoming too emotional, Kindred's solution is based on a library of animated memes and emoticons.

Relax Gaming update

Kindred's newly acquired game provider, Relax Gaming, boasts over 3,000 games, a rise of over 1,000 games during 2021, and now distributes its content to over 150 operators.

During the fourth quarter, Relax Gaming signed 13 new operator agreements, showcasing continued high demand for its services. In addition, twelve games were launched on the Relax and Silver Bullet roadmap.

Relax Gaming also launched new titles including Cluster Tumble, a follow up to Temple Tumble, one of Relax's most successful games. The game also marks the first delivery from the new Stockholm studio that was set up in January 2021.

Sustainability

Kindred's "journey towards zero", which sets the ambition to have zero revenue from harmful gambling by the end of 2023, continues to be a focus area. During the fourth quarter a slight increase in revenue from harmful gambling has been reported, which is partly due to the holiday season being a sensitive time for some people, and partly due to Kindred ceasing activity in the Dutch market at the end of September.

In October, Kindred's Head of Responsible Gambling and Research, Maris Catania, together with her PhD tutor, Professor Mark Griffiths, published a peer-reviewed research paper that examines the application of DSM-5 criteria for gambling disorder to actual online gambling behaviour, the basis of Kindred's behavioural monitoring system. Since the data was published, Kindred has been invited by policy formers and regulators in several markets to discuss how the ambition can be achieved. More information can be found on www.kindredgroup.com/zero.

The appreciated collaboration with former NHL star Henrik Lundqvist, the 30/30 Fund, has after three successful years come to an end. Both Kindred and Henrik Lundqvist have been very happy with the collaboration and vocal ambassadors for the Fund. The Unibet team in Sweden have continued their engagement in the annual public service community project "Musikhjälpen". Additionally, Unibet has taken part in the campaign #nejtillnätthat focusing on stopping hatred and abuse on social platforms.

In Denmark, Kindred is planning a joint responsible gambling campaign with other operators to help raise awareness and understanding of a safe and sustainable gambling behaviour. The campaign is planned for Q1 2022.

The French team have as part of its sports engagement and partnerships launched a responsible gambling message on LED screens across stadiums in France, and in the UK the partnership with Women in Racing has been extended in order to support the second phase of the Racing home campaign to improve equality in the racing industry.

On 5 October, Kindred hosted the annual Sustainable Gambling Conference with over 800 registered participants and 25 expert speakers from inside and outside of the industry. Kindred sees great benefit in having experts, regulators, industry peers, investors, media representatives, researchers, and others discussing the key theme "safer gambling: a shared responsibility". Kindred also took part in the European Safer Gambling Week, organised by the EGBA, in November through various events, campaigns and communications across markets and brands.

Other information

Financial information

This report is unaudited. The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union, except where otherwise stated. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2020, except for the Group's policies surrounding revenues. Following the acquisition of Relax Gaming the Group's revenue policy now includes that in relation to its B2B revenues, as follows:

For B2B revenue from the sale of the Group's own content, the Group has concluded that it is a principal in these transactions and as such revenue is recognised as the gross amount of consideration received. This is recognised when the amounts of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

B2B revenue that relates to the resale of third-party content is recognised when the Group satisfies its promise to arrange for the services to be provided by the supplier. As the Group is deemed to be an agent for the purpose of these transactions, amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

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

Updates to financial information

As disclosed during the third quarter of 2021, the definition of underlying EBITDA has been updated in the fourth quarter, including all relevant comparatives. See page 29 where comparative underlying EBITDA figures have been presented for the past 12 quarters for ease of comparison.

The definition has been updated to exclude the newly created line item, "Other gains/(losses) - net" within items affecting comparability to enhance comparability between quarters. For comparative quarters this excluded line item was reported as foreign currency gain/(loss) on operating items. As a result of the Group entering into forward contracts during the quarter however, the Group has elected to merge this previously reported line item into this new line which will now also include fair value gains and losses on these derivative financial instruments.

During the fourth quarter of 2021, the following changes to the presentation of financial metrics and line items have been made, resulting from the acquisition of Relax Gaming on 1 October 2021:

- The Group is now disclosing revenues from both its existing B2C business and the newly acquired B2B operations of Relax Gaming in one single line item, "Revenue", on the face of the condensed consolidated income statement.
- Marketing as a percentage of Gross winnings revenue (reported on page 13) will continue to be reported for the Group's B2C business only, keeping this consistent with that previously reported. This will be calculated using the Group's B2C marketing costs as a percentage of the Group's B2C revenues, Gross winnings revenue.
- Salaries and other operating expenses, previously reported as a percentage of Gross winnings revenue (reported on page 13), are now being calculated as a percentage of the Group's total revenue, meaning the metric uses total expenses and total revenues from both the Group's B2B and B2C businesses.

During the fourth quarter of 2021, the following other changes to the presentation of line items have been made:

- Management incentive costs relating to acquisitions, previously recognised as a separate line item within items affecting comparability, have been merged into the line merger and acquisition costs within items affecting comparability.
- Amortisation of intangible assets, previously split into three separate lines on the condensed consolidated income statement, has been condensed into one single line item. Full detail of the movement in amortisation charges continues to be explained in the financial review.
- Impairment losses have been moved from administrative expenses to items affecting comparability to better reflect the one-off nature of the amounts.
- In the condensed consolidated balance sheet, the Group's jackpot liability has been reclassified from provisions to trade and other payables and the relevant comparatives have been updated.

During the first quarter of 2022, the Group will start to report organic growth to aid comparability of the numbers. For the avoidance of doubt, the term organic will refer to the reported number, excluding the impact of both acquisitions and currency fluctuations.

Employees

The Kindred Group had 2,055 (1,564) employees at 31 December 2021, compared with 1,814 employees at 30 September 2021. The more significant increase in the quarter reflects new employees acquired from the acquisition of Relax Gaming. The number of consultants amounted to 169 (119) at 31 December 2021.

Principal risks

The Kindred Group manages strategic, operational, financial, compliance and industry specific risks on a Group-wide basis. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 25 to 27 and pages 70 to 71 of the Annual Report and Accounts for the year ended 31 December 2020 available from www.kindredgroup.com.

Next AGM and Nomination Committee

The 2022 Annual General Meeting of Kindred Group plc will be held on 13 May 2022 in Stockholm. In view of the scheduled date for publishing the Notice of the Annual General Meeting, proposals have to be received by the Company and the Nomination Committee no later than 2 March 2022 in order to have sufficient time for including them in the Notice and the meeting's agenda. The Nomination Committee for the 2022 AGM consists of Thomas Gür, Veralda (chairperson), Peter Lundkvist, Tredje AP-fonden, Erik Sprinchorn, TIN Fonder, Helena Hagberg, Skandia and Evert Carlsson, chairman of the Board of Directors (co-opted member). The nomination committee can be contacted at the following address: Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta, or by email to: nomination@kindredgroup.com.

Annual Report and Sustainability Report

Kindred Group plc's combined Annual Report and Sustainability Report for the 2021 financial year will be available on its website, www.kindredgroup.com, from 15 March 2022.

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, 9 February 2022

Henrik Tjärnström
CEO

Kindred Group plc

Registered in Malta. Company number C 39017.

Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta.

Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, VLT 1103, Malta.

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

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.

Condensed consolidated income statement

GBP m	Q4		Full year	
	2021	2020	2021	2020
Continuing operations:				
Revenue	244.9	364.7	1,259.6	1,130.2
Betting duties	-58.5	-75.4	-255.3	-231.0
Marketing revenue share	-10.6	-15.5	-52.0	-53.6
Other cost of sales	-38.4	-52.2	-198.7	-180.4
Cost of sales	-107.5	-143.1	-506.0	-465.0
Gross profit	137.4	221.6	753.6	665.2
Marketing costs	-59.1	-60.9	-234.7	-203.6
Salaries	-31.1	-27.2	-117.5	-109.7
Other operating expenses	-19.6	-15.3	-69.3	-63.7
Depreciation of property, plant and equipment	-3.8	-3.8	-14.8	-15.1
Depreciation of right-of-use assets	-3.0	-2.9	-11.1	-11.3
Amortisation of intangible assets	-7.7	-5.6	-23.0	-34.2
Total administrative expenses	-65.2	-54.8	-235.7	-234.0
Underlying profit before items affecting comparability	13.1	105.9	283.2	227.6
Personnel restructuring costs	-0.5	-2.0	-1.0	-4.2
Merger and acquisition costs	-1.8	-0.1	-5.8	-0.4
Disputed regulatory sanction	-	-	4.2	-8.0
Other gains/(losses) - net	-1.7	-0.2	-9.7	-1.4
Gain on remeasurement of previously held equity interest to fair value upon obtaining control	71.3	-	71.3	-
Impairment losses	-	-3.9	-	-7.8
Profit from operations	80.4	99.7	342.2	205.8
Finance costs	-2.1	-1.4	-6.2	-6.2
Finance income	0.6	0.1	1.0	0.4
Foreign currency loss on borrowings	-	-0.4	-	-8.7
Share of (loss)/profit from associate	-0.1	0.7	1.4	1.8
Profit before tax	78.8	98.7	338.4	193.1
Income tax expense	-3.8	-13.8	-43.1	-27.9
Profit after tax	75.0	84.9	295.3	165.2
Profit is attributable to:				
Owners of Kindred Group plc	75.0	84.9	295.3	165.2
Non-controlling interests	-	-	-	-
Total profit	75.0	84.9	295.3	165.2
Earnings per share (GBP)	0.33	0.37	1.31	0.73
Diluted earnings per share (GBP)	0.33	0.37	1.30	0.72

Certain presentational changes have been made to the condensed consolidated income statement, and in some cases the relevant comparatives updated accordingly. See page 22 for further detail.

Condensed consolidated statement of comprehensive income

GBP m	Q4		Full year	
	2021	2020	2021	2020
Profit after tax	75.0	84.9	295.3	165.2
Other comprehensive income				
Currency translation adjustments taken to equity	-12.3	-2.5	-18.0	9.2
Gains on net investment hedge	2.2	-	6.4	-
Total comprehensive income for the period	64.9	82.4	283.7	174.4
Total comprehensive income for the period is attributable to:				
Owners of Kindred Group plc	65.0	82.4	283.8	174.4
Non-controlling interests	-0.1	-	-0.1	-
Total comprehensive income for the period	64.9	82.4	283.7	174.4

Condensed consolidated balance sheet

GBP m	31 Dec 2021	31 Dec 2020
Assets		
Non-current assets		
Goodwill	428.5	273.9
Other intangible assets	255.3	148.7
Investment in associate	-	3.6
Property, plant and equipment	23.7	28.4
Right-of-use assets	53.7	61.3
Deferred tax assets	27.4	28.4
Convertible bond	6.4	6.9
Other non-current assets	3.1	2.3
	798.1	553.5
Current assets		
Trade and other receivables	52.3	46.9
Financial assets at fair value through profit and loss	0.1	-
Taxation recoverable	96.4	91.4
Cash and cash equivalents	270.6	300.5
	419.4	438.8
Total assets	1,217.5	992.3
Equity and liabilities		
Capital and reserves		
Share capital	0.1	0.1
Share premium	81.5	81.5
Currency translation reserve	5.7	17.2
Reorganisation reserve	-42.9	-42.9
Retained earnings	514.9	356.2
Total equity attributable to the owners	559.3	412.1
Non-controlling interest	5.9	-
Total equity	565.2	412.1
Non-current liabilities		
Borrowings	111.6	118.3
Lease liabilities	43.5	50.2
Provisions	2.3	0.6
Other financial liabilities at fair value through profit and loss	38.3	-
Deferred tax liabilities	22.4	5.3
	218.1	174.4
Current liabilities		
Lease liabilities	11.9	12.1
Trade and other payables	162.2	166.3
Provisions	11.1	17.0
Customer balances	72.0	77.5
Deferred income	4.8	5.4
Other financial liabilities at fair value through profit and loss	41.1	-
Tax liabilities	131.1	127.5
	434.2	405.8
Total liabilities	652.3	580.2
Total equity and liabilities	1,217.5	992.3

Certain presentational changes have been made to the condensed consolidated balance sheet, and in some cases the relevant comparatives updated accordingly. See page 22 for further detail.

Condensed consolidated statement of changes in equity

GBP m	Q4		Full year	
	2021	2020	2021	2020
Opening balance of total equity at beginning of period	551.2	329.2	412.1	234.0
Comprehensive income				
Profit for the period	75.0	84.9	295.3	165.2
Other comprehensive income:				
Currency translation adjustments taken to equity	-12.3	-2.5	-18.0	9.2
Gains on net investment hedge	2.2	-	6.4	-
Total comprehensive income	64.9	82.4	283.7	174.4
Transactions with owners				
Share awards - value of employee services	1.9	0.1	1.1	0.2
Equity-settled employee benefit plan	-0.3	0.4	-7.2	1.8
Treasury share purchases	-21.5	-	-66.4	-
Disposal / utilisation of treasury shares	-	-	10.4	1.7
Non-controlling interests on acquisition of subsidiary	6.0	-	6.0	-
Dividend paid	-37.0	-	-74.5	-
Total transactions with owners	-50.9	0.5	-130.6	3.7
Closing balance of total equity at end of period	565.2	412.1	565.2	412.1
Equity is attributable to:				
Owners of Kindred Group plc	559.3	412.1	559.3	412.1
Non-controlling interests	5.9	-	5.9	-
Total equity	565.2	412.1	565.2	412.1

Condensed consolidated cash flow statement

GBP m	Q4		Full year	
	2021	2020	2021	2020
Operating activities				
Profit from operations	80.4	99.7	342.2	205.8
Adjustments for:				
Depreciation of property, plant and equipment	3.8	3.8	14.8	15.1
Depreciation of right-of-use assets	3.0	2.9	11.1	11.3
Amortisation of intangible assets	7.7	5.6	23.0	34.2
Impairment losses recognised in the period	-	3.9	-	7.8
Loss on disposal of intangible assets	0.2	-	0.2	0.2
Fair value adjustments	-70.3	-	-70.3	-
Foreign exchange gain on dividend	0.5	-	0.6	-
Share-based payments	1.9	0.2	3.0	1.9
Equity-settled employee benefit plan	-0.3	0.4	1.3	1.8
Operating cash flows before movements in working capital	26.9	116.5	325.9	278.1
Decrease/(increase) in trade and other receivables	24.1	3.9	2.4	-1.3
(Decrease)/increase in trade and other payables, including customer balances and provisions	-25.8	8.0	-12.1	51.0
Cash flows from operating activities	25.2	128.4	316.2	327.8
Net income taxes paid	-12.0	-4.5	-33.9	-11.7
Net cash generated from operating activities	13.2	123.9	282.3	316.1
Investing activities				
Acquisition of subsidiaries, net of cash acquired	-71.4	-	-97.0	-
Interest received	-	-	0.2	0.4
Purchases of property, plant and equipment	-2.7	-2.1	-10.6	-5.2
Development and acquisition costs of intangible assets	-8.7	-5.0	-34.4	-20.7
Net cash used in investing activities	-82.8	-7.1	-141.8	-25.5
Financing activities				
Interest paid	-1.6	-1.2	-4.3	-4.9
Interest paid on lease liabilities	-0.3	-0.4	-1.3	-1.3
Repayment of lease liabilities	-2.3	-2.9	-10.4	-11.3
Dividend paid	-37.0	-	-74.5	-
Treasury share purchases	-21.6	-	-66.5	-
Proceeds from borrowings	113.7	-	133.7	-
Repayment of borrowings	-113.7	-17.0	-133.7	-115.1
Net cash used in financing activities	-62.8	-21.5	-157.0	-132.6
Net (decrease)/increase in cash and cash equivalents	-132.4	95.3	-16.5	158.0
Cash and cash equivalents at beginning of period	409.0	207.8	300.5	137.8
Effect of foreign exchange rate changes	-6.0	-2.6	-13.4	4.7
Cash and cash equivalents at end of period	270.6	300.5	270.6	300.5

Appendix

Alternative performance measures

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

The below table reconciles the Group's alternative performance measures relating to the condensed consolidated balance sheet to the most directly comparable measures reported in accordance with IFRS. Refer to pages 14 and 15 for corresponding reconciliations of underlying EBITDA and EBITDA respectively, and page 18 for a corresponding reconciliation of free cash flow.

Condensed consolidated balance sheet measures

GBP m	31 Dec 2021	31 Dec 2020
Cash and cash equivalents	270.6	300.5
Customer balances	-72.0	-77.5
Unrestricted cash	198.6	223.0
Less: Borrowings	-111.6	-118.3
Net cash	87.0	104.7

Change to definition of underlying EBITDA

During the fourth quarter of 2021, the definition of underlying EBITDA has been updated to exclude the previously reported foreign currency gain/(loss) on operating items (now reported in the condensed consolidated income statement as part of the line other gains/(losses) – net). As the Group operates internationally, its results are naturally impacted by currency fluctuations which can be volatile between quarters. The Group believes this update will enhance comparability between quarters for users of the condensed consolidated financial statements.

To help users understand the impact on comparative numbers, underlying EBITDA numbers for the last 12 quarters have been presented in the table below:

	2021				2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gross profit	137.4	185.0	220.9	210.3	221.6	163.0	139.9	140.7	130.0	129.0	129.3	120.3
Marketing costs	-59.1	-55.1	-61.6	-58.9	-60.9	-46.1	-44.2	-52.4	-55.3	-48.8	-53.2	-53.6
Salaries	-31.1	-28.4	-29.2	-28.8	-27.2	-26.3	-29.7	-26.5	-24.9	-24.4	-23.9	-22.8
Other operating expenses	-19.6	-16.7	-16.4	-16.6	-15.3	-14.8	-16.1	-17.5	-18.7	-20.1	-18.9	-16.0
Underlying EBITDA - updated definition	27.6	84.8	113.7	106.0	118.2	75.8	49.9	44.3	31.1	35.7	33.3	27.9
<i>Underlying EBITDA as previously reported</i>	<i>27.6</i>	<i>84.2</i>	<i>114.3</i>	<i>98.0</i>	<i>118.0</i>	<i>74.6</i>	<i>51.7</i>	<i>42.5</i>	<i>30.7</i>	<i>37.3</i>	<i>30.9</i>	<i>31.1</i>
<i>Difference to previously reported</i>	<i>0.0</i>	<i>0.6</i>	<i>-0.6</i>	<i>8.0</i>	<i>0.2</i>	<i>1.2</i>	<i>-1.8</i>	<i>1.8</i>	<i>0.4</i>	<i>-1.6</i>	<i>2.4</i>	<i>-3.2</i>

Key ratios

	Q4		Full year	
	2021	2020	2021	2020
Gross winnings revenue from locally regulated markets (%)	77%	61%	62%	61%
B2C marketing as a % of Gross winnings revenue (%)	29%	21%	23%	23%
Return on average equity, annualised (%)	58%	108%	67%	63%
Underlying EBITDA margin (%)	11%	32%	26%	25%
Net cash / EBITDA, rolling 12-month basis	0.22	0.38	0.22	0.38
Cash conversion (%)	28%	94%	70%	93%
Free cash flow per share (GBP)	0.03	0.49	1.02	1.18
Earnings per share (GBP)	0.33	0.37	1.31	0.73
Diluted earnings per share (GBP)	0.33	0.37	1.30	0.72
Employees at period end	2,055	1,564	2,055	1,564
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,405,713	232,089,717	231,405,713	232,089,717
Weighted average number of outstanding shares	224,023,122	227,154,842	226,149,236	227,023,775
Weighted average number of diluted outstanding	225,308,341	229,176,216	227,767,325	229,084,006

¹ At 31 December 2021 the total issued shares were 230,126,200. Of these, 7,486,839 shares are held by the Group as a result of previous repurchase programmes.

FX rates and constant currency impact

Balance sheet rates:	31 Dec	31 Dec	YoY Delta
Rate to GBP	2021	2020	
AUD	1.858	1.768	-5.1%
DKK	8.850	8.277	-6.9%
EUR	1.190	1.112	-7.0%
NOK	11.887	11.646	-2.1%
SEK	12.199	11.161	-9.3%
USD	1.348	1.365	1.2%

Income statement averages for the quarter:	Avg Q4 2021	Avg Q4 2020	YoY Delta
Rate to GBP			
AUD	1.851	1.806	-2.5%
DKK	8.772	8.241	-6.4%
EUR	1.179	1.107	-6.5%
NOK	11.765	11.904	1.2%
SEK	11.946	11.364	-5.1%
USD	1.349	1.321	-2.1%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the fourth quarter of 2021 is as follows:

GBP m	Q4 2021
Revenue	-10.6
Cost of sales / Operating expenses	8.4
Foreign currency loss on operating items	-0.7
EBITDA	-2.9
Foreign exchange gain on dividend	0.5
Other items below EBITDA	0.1
Profit after tax	-2.3

Operating segmental analysis

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

The tables below split the Group's total revenue, cost of sales and gross profit between its B2C business, Kindred Group (excluding Relax Gaming), and its newly acquired B2B business, Relax Gaming. The numbers for each of these segments are inclusive of intercompany transactions, which for total Kindred Group numbers are eliminated in the column entitled eliminations.

Q4 2021

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	240.5	-	-	240.5
Other revenue (B2B)	-	6.5	-2.1	4.4
Total revenue	240.5	6.5	-2.1	244.9
Cost of sales	-109.2	-0.4	2.1	-107.5
Gross profit	131.3	6.1	-	137.4

FY 2021

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	1,255.2	-	-	1,255.2
Other revenue (B2B)	-	6.5	-2.1	4.4
Total revenue	1,255.2	6.5	-2.1	1,259.6
Cost of sales	-507.7	-0.4	2.1	-506.0
Gross profit	747.5	6.1	-	753.6

Non-Statutory Analysis of Gross Winnings Revenue (B2C)

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

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

SPORTS BETTING BY REGION	2021				2020				2021 FY	2020 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	60.1	77.6	119.4	114.2	122.6	80.3	43.1	84.1	371.3	330.1
Nordics	23.8	23.7	31.9	28.1	33.0	24.4	13.9	24.5	107.5	95.8
Central, Eastern and Southern Europe	8.3	8.5	11.1	11.0	13.1	10.2	5.7	10.1	38.9	39.1
Other	8.9	6.1	8.1	6.4	8.5	6.0	4.8	3.8	29.5	23.1
Total	101.1	115.9	170.5	159.7	177.2	120.9	67.5	122.5	547.2	488.1
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	-51%	-3%	177%	36%	63%	8%	-42%	11%	12%	10%
Nordics	-28%	-3%	129%	15%	53%	10%	-42%	28%	12%	10%
Central, Eastern and Southern Europe	-37%	-17%	95%	9%	34%	2%	-35%	22%	-1%	6%
Other	5%	2%	69%	68%	98%	122%	153%	23%	28%	93%
Total	-43%	-4%	153%	30%	60%	11%	-38%	15%	12%	12%
OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY										
	2021				2020				2021 FY	2020 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	62.8	112.0	125.6	126.7	115.7	93.0	97.8	68.8	427.1	375.3
Nordics	51.0	46.1	43.5	39.7	42.3	41.6	45.8	42.7	180.3	172.4
Central, Eastern and Southern Europe	19.3	17.1	17.2	18.0	20.2	15.2	15.6	11.7	71.6	62.7
Other	6.3	7.3	6.9	8.5	9.3	10.0	8.4	4.0	29.0	31.7
Total	139.4	182.5	193.2	192.9	187.5	159.8	167.6	127.2	708.0	642.1
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	-46%	20%	28%	84%	65%	54%	59%	9%	14%	47%
Nordics	21%	11%	-5%	-7%	2%	-6%	6%	0%	5%	0%
Central, Eastern and Southern Europe	-4%	13%	10%	54%	73%	52%	50%	17%	14%	49%
Other	-32%	-27%	-18%	113%	288%	456%	367%	135%	-9%	312%
Total	-26%	14%	15%	52%	49%	37%	43%	8%	10%	35%
TOTAL BY REGION										
	2021				2020				2021 FY	2020 FY
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Gross winnings revenue (GBP m)										
Western Europe	122.9	189.6	245.0	240.9	238.3	173.3	140.9	152.9	798.4	705.4
Nordics	74.8	69.8	75.4	67.8	75.3	66.0	59.7	67.2	287.8	268.2
Central, Eastern and Southern Europe	27.6	25.6	28.3	29.0	33.3	25.4	21.3	21.8	110.5	101.8
Other	15.2	13.4	15.0	14.9	17.8	16.0	13.2	7.8	58.5	54.8
Total	240.5	298.4	363.7	352.6	364.7	280.7	235.1	249.7	1,255.2	1,130.2
Share of total (%)										
Western Europe	51%	64%	67%	69%	65%	62%	60%	61%	63%	62%
Nordics	31%	23%	21%	19%	21%	23%	25%	27%	23%	24%
Central, Eastern and Southern Europe	12%	9%	8%	8%	9%	9%	9%	9%	9%	9%
Other	6%	4%	4%	4%	5%	6%	6%	3%	5%	5%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Western Europe	-48%	9%	74%	58%	64%	28%	4%	10%	13%	27%
Nordics	-1%	6%	26%	1%	20%	-1%	-11%	9%	7%	4%
Central, Eastern and Southern Europe	-17%	1%	33%	33%	55%	27%	11%	19%	9%	29%
Other	-15%	-16%	14%	91%	166%	256%	257%	63%	7%	178%
Total	-34%	6%	55%	41%	54%	24%	4%	11%	11%	24%

Non-Statutory Analysis of Gross Winnings Revenue (B2C)

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

Gross winnings revenue by product segment

TOTAL BY PRODUCT SEGMENT	2021				2020				2021	2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
Gross winnings revenue (GBP m)										
Sports betting	101.1	115.9	170.5	159.7	177.2	120.9	67.5	122.5	547.2	488.1
Casino & games	127.3	168.3	177.2	175.9	170.7	145.0	150.4	112.9	648.7	579.0
Poker	7.2	6.9	7.5	9.2	8.9	6.8	9.7	7.5	30.8	32.9
Other	4.9	7.3	8.5	7.8	7.9	8.0	7.5	6.8	28.5	30.2
Total	240.5	298.4	363.7	352.6	364.7	280.7	235.1	249.7	1,255.2	1,130.2
Share of total (%)										
Sports betting	42%	39%	47%	45%	49%	43%	29%	49%	44%	43%
Casino & games	53%	57%	49%	50%	47%	52%	64%	45%	52%	51%
Poker	3%	2%	2%	3%	2%	2%	4%	3%	2%	3%
Other	2%	2%	2%	2%	2%	3%	3%	3%	2%	3%
Quarterly Year-on-Year & Year-on-Year growth (%)										
Sports betting	-43%	-4%	153%	30%	60%	11%	-38%	15%	12%	12%
Casino & games	-25%	16%	18%	56%	52%	38%	42%	6%	12%	35%
Poker	-19%	1%	-23%	23%	53%	31%	111%	32%	-6%	54%
Other	-38%	-9%	13%	15%	7%	19%	6%	24%	-6%	13%
Total	-34%	6%	55%	41%	54%	24%	4%	11%	11%	24%

Sports betting margins

Gross winnings revenue (GBP m)	2021				2020				2021	2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
Sports betting stakes (GBP m)	1,194.1	1,334.9	1,594.3	1,707.2	1,771.4	1,476.1	780.2	1,143.4	5,830.5	5,171.1
Sports betting Gross winnings										
Live betting (GBP m)	52.9	64.9	82.3	79.1	89.7	71.2	33.5	58.6	279.2	253.0
Live betting margin (%)	8.8%	9.0%	10.1%	9.1%	9.7%	9.1%	7.3%	8.9%	9.3%	8.9%
Live betting share (%)	45.9%	47.9%	42.0%	42.8%	44.3%	50.2%	43.3%	42.2%	44.2%	45.1%
Pre-game betting (GBP m)	62.4	70.5	113.6	105.8	112.7	70.5	43.8	80.4	352.3	307.4
Pre-game betting margin (%)	10.6%	11.5%	14.6%	12.7%	13.4%	10.1%	13.7%	16.6%	12.5%	13.1%
Pre-game betting share (%)	54.1%	52.1%	58.0%	57.2%	55.7%	49.8%	56.7%	57.8%	55.8%	54.9%
Total before free bets (GBP m)	115.3	135.4	195.9	184.9	202.4	141.7	77.3	139.0	631.5	560.4
Sports betting margin - before free bets (%)	9.7%	10.1%	12.3%	10.8%	11.4%	9.6%	9.9%	12.2%	10.8%	10.8%
Free bets (GBP m)	-14.3	-19.5	-25.4	-25.2	-25.2	-20.8	-9.8	-16.5	-84.4	-72.3
Total after free bets (GBP m)	101.0	115.9	170.5	159.7	177.2	120.9	67.5	122.5	547.1	488.1
Sports betting margin - after free bets (%)	8.5%	8.7%	10.7%	9.4%	10.0%	8.2%	8.7%	10.7%	9.4%	9.4%

Total margin across all product segments

Total margin all product segments - before free bets (%) ¹	2021				2020				2021	2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY	FY
	5.2%	4.8%	5.3%	4.8%	5.2%	4.7%	4.2%	5.3%	5.0%	4.9%

¹ Includes sports betting and casino & games but excludes poker rakes and other revenues

Definitions

B2B: Business-to-Business.

B2C: Business-to-Consumer.

Cash conversion: Free cash flow divided by underlying EBITDA.

EBITDA: Profit from operations before depreciation, amortisation and impairment losses.

Free cash flow per share: Free cash flow (as defined on page 18) divided by the weighted average number of outstanding shares.

Gross winnings revenue: Revenue from the Group's B2C business.

Long-term average sports betting margin: Average sports betting margin, after free bets, over the latest twelve reported quarters.

LTM: Last twelve months prior to each quarter end.

Net cash/(net debt): Total borrowings less unrestricted cash.

Other revenue: Revenue from the Group's B2B business.

Return on average equity (annualised): Profit from operations divided by the average of opening and closing equity for the period.

Underlying EBITDA: EBITDA before personnel restructuring costs, merger and acquisition costs, disputed regulatory sanction, other gains/(losses) and fair value gain on previously held equity interest in Relax Gaming.

Underlying EBITDA margin: Underlying EBITDA divided by total revenue.

Unrestricted cash: Total cash at period end less customer balances.

Presentation of the interim report

Today, Wednesday 9 February 2022, Kindred Group's CEO Henrik Tjärnström will host a web presentation in English at 10.00 (CEST) which will be web casted live on www.kindredgroup.com/Q42021. For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are:

- Sweden: +46 8 5664 2703
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Forthcoming financial reporting timetable

Interim report January – March 2022	28 April 2022
Interim report January – June 2022	27 July 2022
Interim report January – September 2022	28 October 2022
Full year report 2022	8 February 2023