

“A strong product offering combined with focus on cost optimisation actions continues to improve profitability.”

Nils Andén, Interim CEO

KINDRED GROUP PLC

INTERIM REPORT JANUARY - JUNE 2023 (UNAUDITED)

Financial highlights

Second quarter 2023

- Total revenue was GBP 307.3 (238.7) million, an increase of 29 per cent.
- Gross winnings revenue (B2C) increased by 28 per cent to GBP 298.3 (233.5) million. Excluding the Netherlands, it increased by 1 per cent.
- Underlying EBITDA increased by 120 per cent to GBP 55.7 (25.3) million.
- Profit before tax was GBP 33.1 (7.0) million.
- Profit after tax was GBP 27.7 (5.8) million.
- Earnings per share were GBP 0.13 (0.03).
- 1,547,000 shares/SDRs were purchased, with a total value of SEK 189.9, or GBP 14.1, million.
- Free cash flow amounted to GBP 3.0 (-5.1) million.
- Number of active customers increased by 17 per cent to 1,561,444 (1,336,706). Excluding the Netherlands, active customers remained flat.

First half 2023

- Total revenue was GBP 613.7 (485.4) million, an increase of 26 per cent.
- Gross winnings revenue (B2C) increased by 25 per cent to GBP 595.6 (475.9) million. Excluding the Netherlands, it remained in line.
- Underlying EBITDA increased by 111 per cent to GBP 105.1 (49.8) million.
- Profit before tax was GBP 63.5 (14.6) million.
- Profit after tax was GBP 53.3 (12.2) million.
- Earnings per share were GBP 0.25 (0.06).
- 3,833,000 shares/SDRs were purchased, with a total value of SEK 443.7, or GBP 34.2, million.
- Free cash flow amounted to GBP 32.0 (-10.6) million.

Key highlights

- Revenue increased by 29 per cent as core markets continued to show strong growth, with 82 per cent of Gross winnings revenue now derived from locally regulated markets.
- Total revenues for the Netherlands reached GBP 63.6 million and we are on the path towards market leadership.
- The strong increase in revenue, combined with the scalability in the business model, resulted in an EBITDA margin of 18 per cent.
- Kindred's proprietary platform was successfully launched in New Jersey with initial positive results, in line with the "one platform" strategy.

Key figures

GBP m	Q2		Jan-Jun		Full year 2022
	2023	2022	2023	2022	
Revenue	307.3	238.7	613.7	485.4	1,068.7
EBITDA	51.4	21.6	98.7	43.6	187.5
Underlying EBITDA	55.7	25.3	105.1	49.8	129.2
Profit before tax	33.1	7.0	63.5	14.6	126.8
Profit after tax	27.7	5.8	53.3	12.2	120.1
Earnings per share (GBP)	0.13	0.03	0.25	0.06	0.54
(Net debt) / net cash / EBITDA, rolling 12-month basis	-0.01	0.06	-0.01	0.06	0.21
Free cash flow	3.0	-5.1	32.0	-10.6	69.6
Active customers (No.)	1,561,444	1,336,706			

CEO comment

Scalability of business evident as revenue growth returns

It has been an extraordinary quarter in many ways. Our business is showing strong performance in most markets and across product segments. At the same time, a strategic review has been initiated by the Board and changes have taken place within the Executive Management team. The ability to maintain the positive business momentum in a time of change is a testament to the strong talent, leadership and commitment across the organisation as well as the proven business model put in place over the years.

Scalability of operations contributes to increased profitability

The strong start to the second quarter has remained throughout most of the period with the first two months being particularly strong. June was slightly slower due to normal seasonality creating a lack of sports events, including Wimbledon only taking place during the third quarter this year. Continued focus on a strong customer offering has resulted in revenue increasing 29 per cent to GBP 307.3 million compared to the same period last year. As revenue increases, we see the true scalability of our business model. Together with the actions taken at the start of the year to optimise our cost base proving to be effective, underlying EBITDA reached GBP 55.7 million, representing a margin of 18 per cent, or 20 per cent excluding North America. We reiterate our underlying EBITDA guidance for the full year 2023 of at least GBP 200 million.

Favourable results and increased use of Betbuilder had positive impact on the sports betting margin

Performance was positively impacted by an increase in sports betting along with favourable sports results. In addition, the increased popularity of the Betbuilder product, changing market mix, lower bonus costs, and continued optimisation of trading, has improved the sports betting margin, which reached 11.3 per cent for the quarter. We also had a stronger than normal margin in France, where we predominately offer sports betting. While the sports betting margin is volatile between quarters it is a part of our business. Over time we have seen the long-term average margin gradually increasing.

Our casino product segment continues to show encouraging performance across several markets, up 37 per cent compared to the second quarter last year. Additionally, our bespoke games produced by Relax Gaming continue to be successful, with our third

exclusive casino game launched during the second quarter and a plan to keep scaling up our exclusive content in the coming quarters. This is great news as Relax Gaming is a fundamental cornerstone of our product differentiation strategy and continues to show stellar performance with total revenue growing 47 per cent in the second quarter compared to the same period last year.

Investments into the Kindred Sportsbook Platform continue according to our plan and we remain set for a test market launch towards the end of 2023.

Continued strong growth across core markets with Belgium showing signs of improvement

The diversity of our market portfolio provides stability across the Group with particularly strong performance in several markets including the UK, Denmark, the Netherlands and Romania. While the challenges experienced in Belgium and Norway during the first quarter remain, signs of improvement are seen in Belgium. As previously mentioned, we have focused on improving our dialogue with the Belgian regulator to ensure a level playing field and we are seeing early positive signs in this direction. Excluding Belgium and Norway, we saw strong Gross winnings revenue growth for the Group of 41 per cent, and with the Netherlands also excluded Gross winnings revenue increased 7 per cent.

Proprietary platform in New Jersey and Pennsylvania delivering on expectations

The North American market continues to see positive developments, as reported in the first quarter. Gross winnings revenue increased to GBP 8.4 million and the negative EBITDA contribution continues to decline to GBP 5.1 million. On 10 May we went live with our proprietary platform in New Jersey, which we believe will significantly improve our product offering in the North American market. Early signs show positive retention and conversion numbers, bringing us great confidence in our ability to improve performance with our proprietary platform. Pennsylvania saw our proprietary platform go live on 10 July. As part of our efforts to improve performance in North America, we continue to explore all options.

In a good position to adopt the UK White Paper proposals

With 82 per cent of our revenue derived from locally regulated markets, it remains as important as ever to influence a stable, level, and sustainable operating environment. The UK Gambling Review White Paper was

published on 27 April and we support the White Paper's ambition to update legislation to develop a dynamic regulatory system fit for the digital age. Our continued investment in technological advancements, including a data-led affordability framework, ensures we remain in a good position in terms of the proposals put forward in the White Paper. We now look forward to contributing, together with the industry, to the next steps of the Gambling Act Review.

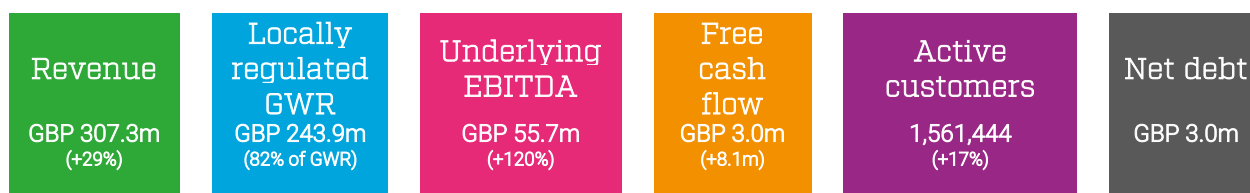
Contributing to a fact-based dialogue with policy makers and regulators is fundamental to ensuring locally regulated markets are sustainable for operators, players, and society. This is why we publish our revenue from harmful gambling every quarter and why we remain fully committed to the ambition of reaching zero per cent Gross winnings revenue from harmful gambling. For the second quarter we had 3.1 per cent revenue from harmful gambling.

Rise in Women's football creates opportunities

We are currently amid a great customer acquisition opportunity with the Women's World Cup taking place in Australia and New Zealand. Following the huge success of the Women's Euros last summer, we see how Women's football is growing in importance and influence. With the major leagues kicking off in August and September, we can look forward to improved activity towards the latter part of the quarter.

Finally, I want to thank all my Kindred colleagues for their hard and committed work as we go through a period of change.

Nils Andén , Interim CEO



Significant events

During the quarter

- At the Annual General Meeting on 20 April, the shareholders approved:
 - The proposed ordinary dividend in respect of the financial year 2022 of GBP 0.345 per share. The dividend, equal to a total of approximately GBP 75 million, was approved to be paid out in two equal tranches, in the second and fourth quarters of 2023, with the first payment made on 27 April.
 - The election of five new Board members (with four previous Board members declaring that they would not stand for re-election).
- On 20 April, Kindred announced the expansion of its North American retail footprint by launching in Washington State, phase one of its partnership with The Swinomish Tribe.
- On 26 April, Kindred announced that its Board of Directors had decided to initiate a review of strategic alternatives focused on maximising shareholder value. As part of this strategic process, the Board of Directors will consider all potential alternatives that can deliver value for the Company's shareholders. Such alternatives could include a merger or sale of the Company (in whole or in part) or other possible strategic transactions.
- On 10 May, Kindred announced it had launched its proprietary tech platform in New Jersey, following approval from the New Jersey Division of Gaming Enforcement on 17 April.
- On 15 May, Kindred announced that Johan Wilsby would leave his position as Chief Financial Officer later in the year.
- At the Extraordinary General Meeting (EGM) held on 17 May, the shareholders approved the Board's proposal for a mandate for share repurchases, share cancellations and share issues as well as a performance share plan for senior management.
- On 17 May, Kindred announced that CEO Henrik Tjärnström had resigned, effective immediately and that the Board of Directors had appointed Nils Andén as Interim CEO, also effective immediately.
- On 21 June, Kindred announced that Patrick Kortman had, effective immediately, assumed the role of Interim Chief Financial Officer.
- During the quarter, under the buy-back mandate received at the EGM on 17 May 2023, 1,547,000 shares/SDRs were purchased, with a total value of SEK 189.9, or GBP 14.1 million. At 30 June 2023, the total number of issued shares in the company is 230,126,200 and Kindred's holding of its own shares is 15,117,946. 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 on 17 May 2023.

After the end of the quarter

- On 11 July, Kindred announced it had launched its proprietary tech platform in Pennsylvania on 10 July.
- On 24 July, Kindred published its latest report on its share of revenue from high-risk customers, as part of its "Journey towards Zero". For the second quarter of 2023, this was 3.1 per cent.

Trading update

The average daily Gross winnings revenue for the Group, up to and including 23 July 2023, was GBP 2.93 million, 1 per cent lower (1 per cent higher in constant currency) than the daily average for the full third quarter of 2022.

Sports betting Gross winning revenue has been positively impacted by a stronger sports betting margin of 11.6 per cent after free bets for the above period, compared to 9.9 per cent for the full third quarter of 2022.

Customer activity (B2C)

For the second quarter of 2023, the number of B2C active customers amounted to 1,561,444 (1,336,706), a 17 per cent increase compared to the second quarter of 2022. With activity ceasing in the Netherlands from the fourth quarter of 2021 to the third quarter of 2022, the prior year comparatives see negative distortion accordingly.

Active customers for the Dutch market amounted to 218,460 for the second quarter of 2023, a 7 per cent increase compared to the first quarter of 2023. Excluding the Netherlands, the number of active customers remained flat when compared to the second quarter of 2022.

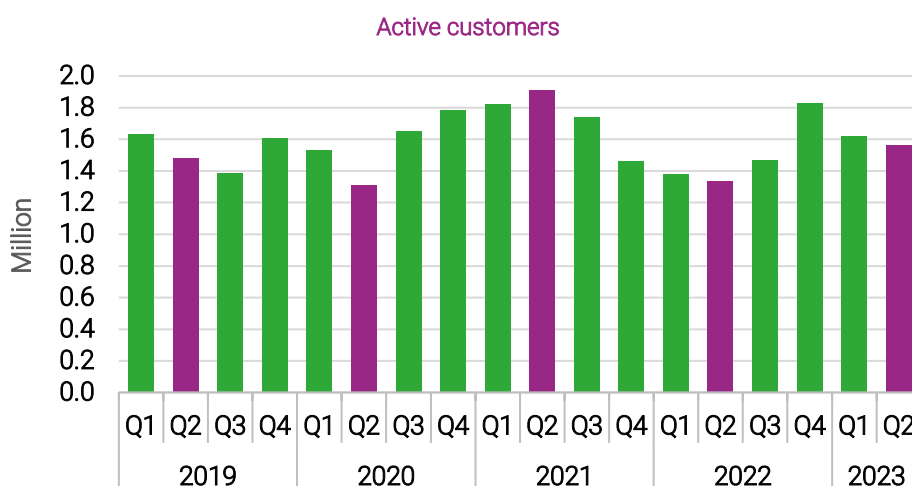
The trend in the number of active customers can be seen in the graph below, with an active customer defined as one placing a bet in the last three months.

1,561,444

Active customers for Q2 2023

+17%

Active customer increase from Q2 2022



Financial review

Revenue

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Gross winnings revenue (B2C)	298.3	233.5	595.6	475.9	1,042.9
Other revenue (B2B)	9.0	5.2	18.1	9.5	25.8
Revenue	307.3	238.7	613.7	485.4	1,068.7

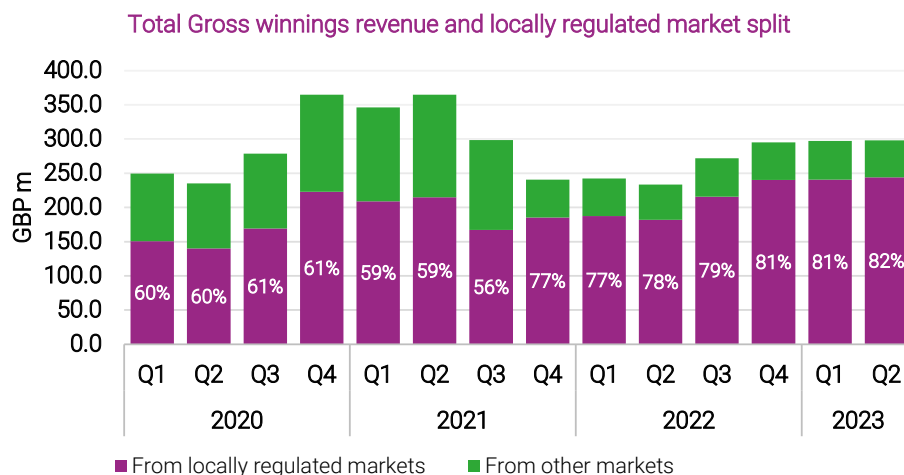
Total revenue for the second quarter of 2023 amounted to GBP 307.3 (238.7) million and for the first half of 2023 was GBP 613.7 (485.4) million. This includes Gross winnings revenue from the B2C business, and other revenue from the B2B business, Relax Gaming. For explanation of variances to comparative periods in the prior year refer to the relevant sections on the following pages, and for further analysis of these numbers refer to page 29.

Gross winnings revenue (B2C)

Gross winnings revenue for the second quarter of 2023 amounted to GBP 298.3 (233.5) million, an increase of 28 per cent (27 per cent in constant currency) from the same period in the prior year. The variance is primarily attributable to the Dutch market where the Group did not accept bets in the market between 1 October 2021 and 3 July 2022.

Excluding the Netherlands, Gross winnings revenue for the second quarter of 2023 increased by 1 per cent (in line in constant currency) from the same period in the prior year. There has been solid growth across the Group's footprint during this period, however Gross winnings revenue has continued to be negatively impacted by regulatory headwinds in Belgium and Norway. Excluding Belgium and Norway, Gross winnings revenue for the second quarter of 2023 increased by 41 per cent from the same period in the prior year. More detail on individual markets can be found in the following section. Given the launch into the Netherlands occurred at the beginning of July 2022, this will be the last report where metrics excluding the Netherlands are provided, as year-on-year numbers will be comparable going forward.

Gross winnings revenue from locally regulated markets is shown in the graph below. The percentage, as a proportion of total Gross winnings revenue, can naturally vary slightly between quarters due to marginal variances in market performances. For the second quarter of 2023, the percentage has reached an all-time high, increasing from the same period in the prior year as a result of entrance into the regulated Dutch market. The Group maintains its ambition to be a locally regulated operator, by increasing Gross winnings revenue from locally regulated markets and generating sustainable profits.



GBP

307.3m

Total revenue for Q2 2023

+29%

Total revenue increase from Q2 2022 (+28% in constant currency)

GBP

298.3m

Gross winnings revenue for Q2 2023

+28%

Gross winnings revenue increase from Q2 2022 (+27% in constant currency)

82%

Gross winnings revenue from locally regulated markets for Q2 2023 (78% in Q2 2022)

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 30 and 31.

Gross winnings revenue by region

Western Europe

Gross winnings revenue amounted to GBP 180.1 (119.5) million for the second quarter of 2023, an increase of 51 per cent from the same period in 2022. Comparatives are again distorted in this segment due to the ceasing of activity in the Netherlands from the fourth quarter of 2021 through to the third quarter of 2022. Excluding the Netherlands, Gross winnings revenue in Western Europe amounted to GBP 116.5 million for the second quarter of 2023, a decline of 2 per cent against the second quarter of 2022. The segment continues to be impacted by headwinds in Belgium due to safer gambling measures introduced in the market, whilst we saw good growth in the UK.

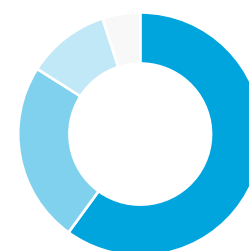
Quarterly Gross winnings revenue in the Dutch market saw 13 per cent growth in local currency in the second quarter of 2023 compared to the first quarter this year. Quarterly actives grew well from the first quarter, and this translated to growth in deposit values and Gross winnings revenue in turn. Both sports betting and casino products continue to contribute to the reported sequential growth where development for sports betting is particularly positive given the lower seasonality compared to the first quarter. Daily Gross winnings revenue reached GBP 0.70 million which puts the quarterly daily average Gross winnings revenue at 83 per cent of the level achieved in the third quarter of 2021 before trading ceased.

The UK again reported good growth compared to the second quarter of 2022, an increase of 8 per cent in Gross winnings revenue. Margin and bonus efficiencies continue to be crucial to ensuring the value of our customer base can evolve despite additional restrictions imposed on the top-spending accounts. Growth is again most prevalent for casino, with 10 per cent growth in casino active customers in the second quarter of 2023 compared to the previous year.

France saw Gross winnings revenue in the second quarter of 2023 in line with that of the second quarter of 2022. This is positive given the dominance of sports betting for the market and lower seasonality in 2023 compared to 2022 for the period following the close of domestic and European football, such as the later scheduling of Wimbledon tennis.

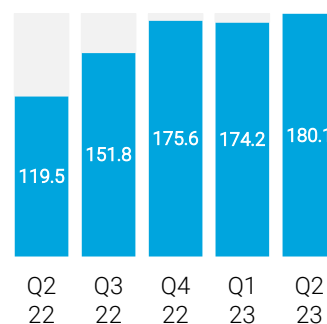
Belgium Gross winnings revenue declined by 28 per cent in local currency in the second quarter of 2023, compared to the equivalent period in 2022. This is however an increase of 5 per cent in local currency compared to the first quarter of 2023 as performance stabilised. In the fourth quarter of 2022, a new weekly deposit limit of EUR 200 was launched. This was in addition to safer gambling and affordability measures that have been pro-actively implemented, which take responsible gambling processes far beyond that of our competitors. Whilst these measures continue to negatively impact headline revenue in the market, this will improve when a level playing field is established between operators. The changes mean the customer base in the second quarter of 2023 was significantly more sustainable compared to 12 months ago, and like the journey seen in the UK, the Belgian market is expected to return to growth in the medium term. Active customers increased by 2 per cent in the second quarter of 2023, compared to the equivalent period of 2022, which indicates a positive underlying trend for the recreational base.

GWR by region (Q2 2023)



■ Western Europe - 60%
 ■ Nordics - 24%
 ■ CES - 11%
 ■ Other - 5%

Western Europe GWR (GBP m)



Nordics

Nordic Gross winnings revenue amounted to GBP 71.5 (74.2) million for the second quarter of 2023, a decrease of 4 per cent from the equivalent period in 2022. Casino Gross winnings revenue decreased by 7 per cent in the second quarter of 2023 compared to the same period in 2022, while sports betting Gross winnings revenue increased by 6 per cent in the second quarter of 2023 compared to the same period in 2022. Changes were made to our offering for Norwegian customers in the fourth quarter of 2022 which continues to impact performance in the second quarter of 2023 within the Nordics segment.

In local currency, Gross winnings revenue in Sweden for the second quarter of 2023 decreased by 1 per cent compared to the second quarter of 2022. Gross winnings revenue from our Unibet brand has grown by 3 per cent in local currency in the second quarter of 2023 compared to the same period in 2022, supported by improvements in sports betting margins. During 2023, additional safer gambling and affordability measures have been implemented across all brands in the market putting pressure on Gross winnings revenue from customers in top value segments, but this is again offset by growth in the recreational base.

Compared to the same period in 2022, Gross winnings revenue in Denmark increased by 19 per cent in local currency in the second quarter of 2023. Sports betting Gross winnings revenue, where the market saw greatest improvement, increased by 30 per cent in local currency compared to the same period in 2022 supported by increased sports betting margins and higher active customers (growing 4 per cent versus the second quarter of 2022). Casino Gross winnings revenue also improved by 15 per cent in local currency in the second quarter of 2023 when compared to the same period in 2022 due to strong growth in active customer levels which grew 18 per cent.

Central, Eastern and Southern Europe (CES)

Central, Eastern and Southern Europe Gross winnings revenue amounted to GBP 33.1 (26.2) million in the second quarter of 2023, an increase of 26 per cent compared to the equivalent period in 2022. Strong growth was achieved in both Romania and Italy.

Romania continues to make up a significant portion of revenues in this segment. Compared to the same period in 2022, Gross winnings revenue increased by 11 per cent in local currency in the second quarter of 2023. This growth driven by increased active player days and better casino player values.

Other regions

Other regions Gross winnings revenue amounted to GBP 13.6 (13.6) million for the second quarter of 2023, which remained flat when compared to the same period in 2022.

Australia

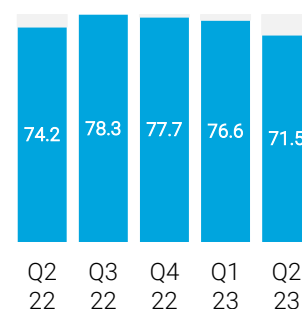
Gross winnings revenue in Australia declined by 26 per cent in local currency in the second quarter of 2023 compared to the second quarter of 2022. The decline was driven by lower customer activity and, as a result, lower sports betting turnover.

North America

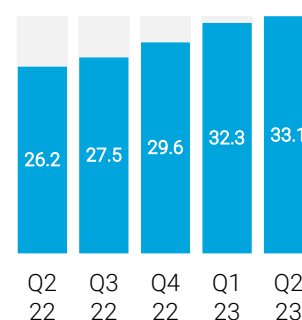
Gross winnings revenue for the North American market amounted to GBP 8.4 (7.2) million in the second quarter of 2023, an increase of 17 per cent in constant currency compared to the second quarter of 2022, and an increase of 7 per cent in constant currency compared to the first quarter of 2023.

Kindred's growth in North America is a combination of both increased activity, which has increased by 6 per cent, and increased player value, which has increased by 11 per cent in the second quarter of 2023 compared to the second quarter of 2022. The continued focus on multiproduct states within the North American portfolio is the driver behind the positive trends, with active customer growth of 15 per cent within our multiproduct states when compared to the same period in 2022.

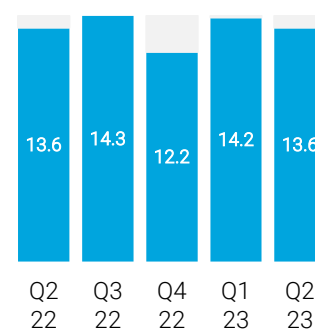
Nordics GWR (GBP m)



Central, Eastern and Southern Europe GWR (GBP m)



Other regions GWR (GBP m)



A key milestone for our North American operations was the launch of our propriety platform in New Jersey in the second quarter of 2023, allowing New Jersey customers to benefit from a more tailored and improved user experience which is at the heart of Kindred's group strategy. The platform is already demonstrating improvements to new customer journeys, indicated by both improved registration to new depositor conversion rates and improving rates of new players making multiple deposits. Following on from the New Jersey launch, Pennsylvania was the second state to migrate to the proprietary platform on 10 July 2023.

Whilst growth is the key objective in North America, Kindred continues to take a measured approach by managing losses in North America. This is demonstrated once more in the second quarter of 2023 through reduction of marketing spend by GBP 1.7 million compared to the second quarter of 2022.

Gross winnings revenue by product segment

Sports betting

Sports betting Gross winnings revenue saw an increase of 19 per cent in the second quarter of 2023 when compared to the second quarter of 2022. Excluding the Netherlands, sports betting Gross winnings revenue for the second quarter of 2023 was 1 per cent lower compared to the second quarter of 2022.

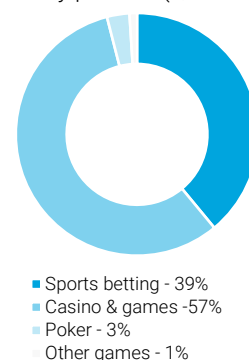
Sports betting turnover for the second quarter of 2023 was 2 per cent lower compared to the second quarter of 2022, whilst sports betting turnover saw a 17 per cent decline excluding Netherlands. The number of active customers has grown by 13 per cent in the second quarter of 2023 compared to the second quarter of 2022, however stakes per customer is impacted by the higher gross margin as well as lower seasonality in June when compared to prior year.

The gross margin for total sports betting for the second quarter of 2023 before free bets was 12.3 (10.7) per cent and after free bets was 11.3 (9.3) per cent, ahead of the Group's long-term average sports betting margin of 9.6 per cent after free bets. In recent years, the typical average sports betting margin for the Group has increased because of market and product mix. France has a higher sports betting margin than the Group average, since there is a requirement to cap pay-out to customers at 85 per cent, and therefore its sports betting turnover has a significant impact on the Group's sports betting margin. The sports betting margin is also impacted by product mix where pre-match and racing products trade at a higher margin than live betting. The trend on sports betting activity continues to push towards higher share from multiple and Bet Builder bet types, with these typically also trading at a higher margin. Following a run of customer-friendly results for European football in the first quarter of 2023, the latter stages of these European competitions delivered a much-improved margin. In general, sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. It is expected that over time these margins will even out. This can be seen in the graph on the following page.

Kindred's proprietary racing product contributed 4 per cent to total sports betting Gross winnings revenue in the second quarter of 2023.

The bars in the graph on the following page show total sports betting gross margin by quarter and full year. Please refer to page 31 for more information on sports betting margins.

GWR by product (Q2 2023)



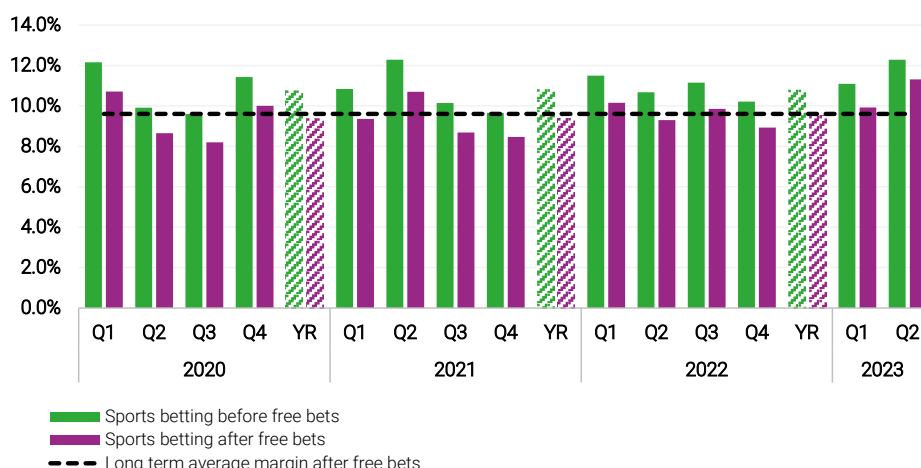
11.3%

Sports betting margin after free bets for Q2 2023, higher, than the long-term average of 9.6%

+19%

Sports betting Gross winnings revenue increase from Q2 2022

Gross margin on sports betting



Casino & games

During the second quarter of 2023, Gross winnings revenue for casino & games has increased by 37 per cent compared to the same quarter of the previous year, while active customers saw an increase of 30 per cent. Again, we see strong performance in the Netherlands, whilst excluding the Netherlands, casino & games Gross winnings revenue increased by 3 per cent compared to the second quarter of 2023, while active customers increased by 6 per cent.

+37%

Casino & games Gross winnings revenue increase from Q2 2022

The enforcement of lower deposit limits introduced in October 2022 in Belgium continued to impact the casino Gross winnings revenue in Belgium, which declined by 38 per cent in the second quarter of 2023 compared to the equivalent period in 2022. The changes made to our offering in Norway during the fourth quarter of the previous year, also continued to negatively impact the performance of the second quarter of 2023.

During the second quarter, the casino business has continued to focus on offering a strong and diverse casino product supported by the release of 18 exclusive slots and further content through three new suppliers. One of the exclusive slots launched this quarter, is the third exclusive game launched in collaboration with Relax Gaming. In addition, during the second quarter Kindred continued adding to a market-leading offering on classic slots in the Netherlands with the release of another classic exclusive slot. Two new games were also released as part of the live casino product offering.

Poker and other products

Gross winnings revenue from poker and other products during the second quarter of 2023 amounts to GBP 12.3 million, which remained flat when compared to the same period in 2022. Poker and other products active customers have increased by 31 per cent during this quarter when compared to the equivalent quarter last year. Excluding the Netherlands, the Gross winnings revenue for the quarter decreased by 13 per cent and the number of active customers increased 9 per cent when compared to the same quarter of the previous year. The decline in Gross winnings revenue this quarter, when comparing to the previous quarter, is mainly attributable to seasonality, with the first quarter of the year typically being one of the strongest quarters.

Other revenue (B2B)

Other revenue includes solely revenue from the Relax Gaming B2B business acquired by the Group on 1 October 2021. Other revenue included in the condensed consolidated income statement includes only revenue generated by Relax Gaming from all gaming operators excluding Kindred Group. This revenue is generated through the aggregator business and by offering Relax Gaming's own content to a wide portfolio of operators.

The Relax Gaming business continues to grow from strength to strength, showing significant revenue growth in the second quarter of 2023 when compared to the same period in the prior year. Other revenue, as reported, amounted to GBP 9.0 (5.2) million for the quarter, an increase of 73 per cent (50 per cent when adjusting the comparative as below). Total Relax Gaming revenue, before the elimination of Kindred Group revenues, amounts to GBP 12.2 (7.5) million for the quarter, an increase of 62 per cent (47 per cent when adjusting the comparatives as below).

The strong revenue growth is driven by broader distribution of Relax Gaming's own content and successful game launches, as well as the success of the Dream Drop jackpot feature across all Relax Gaming operators. During the second quarter, Relax Gaming successfully launched 8 games, out of which 5 were Dream Drop jackpot games. Since its launch in May 2022, nine customers have won the Dream Drop mega jackpot, further highlighting its success and popularity. Relax Gaming continues its winning streak this quarter, by collecting the Slot of the Year award for one of their popular games, Money Train 3 as well as the Slot Catalog's Game Studio of the Year award at the 2023 Game Developer Awards.

During the second quarter of 2023, Relax Gaming signed deals with 15 new operators and 160 supplier partner-to-operator deals, the latter relating to operators connecting to third party providers using the Relax Gaming platform.

As reported in the fourth quarter of 2022, following a review of the accounting treatment of certain Relax Gaming revenue items, other revenue is now recognised slightly differently since this date. The comparative for the second quarter of 2022 has not yet been restated, given the minimal impact. However, the impact of this on the comparative numbers would have been a gross up of the value of both other revenue and cost of sales by GBP 0.8 million.

Group costs and profitability

Cost of sales

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Betting duties	-81.4	-57.4	-161.6	-119.2	-272.8
Marketing revenue share	-9.9	-11.0	-18.7	-22.2	-41.8
Other cost of sales	-43.2	-38.5	-88.6	-78.7	-170.3
Cost of sales	-134.5	-106.9	-268.9	-220.1	-484.9

Cost of sales movements generally correlate directly with movements in revenues, with betting duties and marketing revenue share relating solely to the Group's B2C operations. For the second quarter and first half of 2023, betting duties have increased significantly in absolute terms from the same periods in the prior year, and as a percentage of the Group's Gross winnings revenue. This is a result of the Group's entrance into the newly licenced Dutch market in July 2022, with betting duties now being paid on Dutch revenues.

Marketing revenue share and other cost of sales for the second quarter of 2023 and the first half of 2023 have both, as a percentage of revenue, dropped when compared to the same period in the prior year. This is a result of both the increase in the Group's scalability, as revenues from the Dutch market return and grow, and the continued drive for efficiencies in these areas.

GBP

9.0m

Other revenue for Q2 2023

+50%

Other revenue increase from Q2 2022 (when adjusting for the reclassification, as detailed in the report)

Gross profit

Gross profit for the second quarter of 2023 was GBP 172.8 (131.8) million, and for the first half of 2023 was GBP 344.8 (265.3) million, increases of 31 and 30 per cent from the same periods in 2022 respectively. Gross profit movements are driven by the movements in revenue and cost of sales, as previously explained.

Despite the additional betting duty pressures from the Dutch market, the gross profit margin for the quarter has increased from the same period in the prior year. Cost of sales efficiencies, noted above, have helped this development as well as an increased contribution from Relax Gaming as it continues to perform well and grow.

56%

Gross profit margin in Q2 2023 (compared to 55% in Q2 2022 and 56% in Q1 2023)

Marketing costs

Marketing costs amounted to GBP 52.6 (50.1) million for the quarter, down from GBP 54.8 million in the first quarter of 2023. Whilst investments in the Dutch market have increased since the same period in the prior year following the launch into the regulated market in July, this has been more than offset by decreases in certain other markets for the same period. These decreases are primarily attributable to Germany (following market closure in the second quarter of 2022), Norway (following changes to align with the NGA) as well as reduced investment in North America until the Group's proprietary platform was launched. The decrease from the first quarter of 2023 is primarily driven by the usual seasonality of sporting events, with a much lower level of events in June.

21%

B2C marketing, as a percentage of Gross winnings revenue for Q2 2023 (compared to 26% in Q2 2022 and 21% in Q1 2023)

Marketing for the B2C business (including marketing revenue share within cost of sales) as a percentage of Gross winnings revenue is a key performance indicator for the Group's B2C business. This metric has decreased to 21 (26) per cent for the quarter, in line with the first quarter of 2023. When compared to the second quarter of 2022, the significant decline is a result of the steep increase in Gross winnings revenue following re-entrance to the Dutch market.

Administrative expenses

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Salaries	-41.9	-34.5	-86.4	-67.5	-140.8
Other operating expenses	-22.6	-21.9	-45.9	-40.9	-86.6
Depreciation of property, plant and equipment	-2.9	-3.6	-5.9	-7.2	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-6.9	-5.9	-12.1
Amortisation of intangible assets	-9.5	-7.0	-18.1	-14.2	-30.1
Total administrative expenses	-80.3	-70.0	-163.2	-135.7	-283.6

The significant increase in salaries in the second quarter of 2023 when compared to the same quarter in the prior year is due to selective headcount growth over the past year to recruit key talent to drive the business forward, including the development of the proprietary sportsbook platform. The increase in other operating expenses from the same period in 2022 is also linked to the headcount growth which drives a corresponding increase in office and travel related costs, as well as increased consultancy costs to support the development of the proprietary sportsbook platform.

The decrease in salaries and other operating expenses from the first quarter of 2023 is mainly attributable to the approximately GBP 3.0 million of non-recurring items included and reported in the first quarter. Excluding these items salaries and other operating expenses have reduced slightly, as the Group's focus on cost optimisation and actions being taken start to have an impact.

The increase in amortisation of intangible assets for the second quarter and first half of 2023 compared to the same periods in 2022 is primarily the result of additional amortisation charges following the launch into the Netherlands in July 2022 as well as increased capitalisation of development work in recent quarters. The increase from the first quarter of 2023 relates to increased charges following the initial launch of the Group's proprietary

platform in the US. Included within total amortisation is amortisation of intangible assets that arose on acquisitions amounting to GBP 2.5 (2.5) million for the second quarter of 2023 and GBP 5.1 (4.9) million for the first half of 2023.

Underlying EBITDA

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Gross profit	172.8	131.8	344.8	265.3	583.8
Marketing costs	-52.6	-50.1	-107.4	-107.1	-227.2
Salaries	-41.9	-34.5	-86.4	-67.5	-140.8
Other operating expenses	-22.6	-21.9	-45.9	-40.9	-86.6
Underlying EBITDA	55.7	25.3	105.1	49.8	129.2

Underlying EBITDA for the quarter, as defined above, increased by 120 per cent from the same quarter in the prior year whilst the underlying EBITDA margin increased by 7 percentage points. This continues to be attributable to the increased scalability of the Group following the re-entrance to the Dutch market and rebuilding the corresponding revenues as well as continued strategic focus surrounding marketing investments and cost optimisation, as already mentioned. When comparing to the first quarter of 2023, the underlying EBITDA margin has also increased by 2 percentage points which is driven by the decreases in marketing and operating costs already discussed.

Underlying EBITDA for the quarter includes a negative underlying EBITDA contribution from the North American market of GBP 5.1 (7.4) million, down from GBP 5.5 million for the first quarter of 2023. The improvement from the same period in the prior year and the first quarter of the current year is primarily the result of improved revenues and the recent focus placed on reducing losses in the market prior to launching the Group's own platform. Excluding the impact of North America, the underlying EBITDA margin for the quarter was 20 (14) per cent, 2 percentage points higher than the first quarter.

Underlying EBITDA for the quarter also includes the impact of Relax Gaming on the Group's consolidated underlying EBITDA of GBP 5.0 (2.9) million, a 72 per cent increase from the same period of the prior year and demonstrating the strength and scalability of the Relax business.

Items affecting comparability

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Personnel restructuring costs	-2.4	-0.1	-3.9	-0.2	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-1.2	-0.6	-2.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-	-	-	-0.8
Strategic review costs	-1.9	-	-1.9	-	-
Other gains/(losses)	1.2	-3.0	2.0	-5.4	69.9
Items affecting comparability	-4.3	-3.7	-6.4	-6.2	58.3

Items affecting comparability amounted to a negative contribution of GBP 4.3 (3.7) million for the quarter.

Personnel restructuring costs of GBP 2.4 (0.1) million follow on from those recognised during the first quarter and relate to organisational changes and cost optimisation actions that are being taken to ensure that the Group optimises its headcount to create cost and operational efficiencies.

GBP

55.7m

Underlying EBITDA for Q2 2023

18%

Underlying EBITDA margin in Q2 2023 (compared to 11% in Q2 2022 and 16% in Q1 2023)

20%

Underlying EBITDA margin, excluding North America, in Q2 2023 (compared to 14% in Q2 2022 and 18% in Q1 2023)

Market closure and contract termination costs of GBP 1.2 (0.6) million for the quarter relate to customer claims in relation to markets that have been, or will be, closed (primarily the German and Austrian markets). These claims are not considered to be a part of the Group's core business and are therefore recognised within items affecting comparability. The amount in the second quarter of 2022 related to the Group's exit from the German market last year.

Strategic review costs of GBP 1.9 (nil) million relate to costs being incurred by the Board of Directors in relation to the review of strategic alternatives announced on 26 April 2023, as explained on page 4.

Other gains/(losses) for the second quarter of 2023 comprise foreign currency gains of GBP 5.7 (losses of 2.4) million as well as fair value losses of GBP 4.5 (0.6) million primarily in relation to forward contracts. Foreign exchange gains for the quarter were primarily impacted by the strengthening of the British Pound against the Group's main currencies and partly offset by corresponding forward contract movements. Kindred operates internationally and its results are therefore naturally impacted by currency fluctuations, primarily unrealised foreign currency differences relating to the retranslation of foreign currency current assets and liabilities, including both cash and customer balances. Fair value losses were also impacted by the final reassessment of the fair value of the Relax Gaming contingent consideration, which was paid during the quarter, which resulted in a positive impact of GBP 0.2 million. For full detail of this adjustment, please refer to page 15.

EBITDA and profit from operations

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Underlying EBITDA	55.7	25.3	105.1	49.8	129.2
Personnel restructuring costs	-2.4	-0.1	-3.9	-0.2	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-1.2	-0.6	-2.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-	-	-	-0.8
Strategic review costs	-1.9	-	-1.9	-	-
Other gains/(losses)	1.2	-3.0	2.0	-5.4	69.9
EBITDA	51.4	21.6	98.7	43.6	187.5
Depreciation of property, plant and equipment	-2.9	-3.6	-5.9	-7.2	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-6.9	-5.9	-12.1
Amortisation of intangible assets	-9.5	-7.0	-18.1	-14.2	-30.1
Profit from operations	35.6	8.0	67.8	16.3	131.3

EBITDA for the second quarter of 2023 was GBP 51.4 (21.6) million and profit from operations for the second quarter of 2023 was GBP 35.6 (8.0) million. For the first half of 2023, EBITDA was GBP 98.7 (43.6) million and profit from operations was GBP 67.8 (16.3) 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 explained in previous sections.

Net finance costs/income

Net finance costs for the second quarter of 2023 were GBP 2.5 (1.0) million and for the first half of 2023 were GBP 4.3 (1.7) million. This primarily comprises interest and fees on borrowings which amounted to GBP 2.8 (1.1) million for the second quarter and GBP 4.7 (1.5) million for the first half of 2023.

Profit before tax

Profit before tax for the second quarter of 2023 was GBP 33.1 (7.0) million and for the first half of 2023 was GBP 63.5 (14.6) million.

Profit after tax

Profit after tax for the second quarter of 2023 was GBP 27.7 (5.8) million and for the first half of 2023 was GBP 53.3 (12.2) million.

GBP

27.7m

Profit after tax for Q2 2023

Other comprehensive income

The Group uses hedge accounting, in the form of 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/(losses) on net investment hedge'. This amounted to a gain of GBP 6.0 (nil) million for the second quarter. At 30 June 2023, a gain of GBP 12.1 (6.2) 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

Cash and cash equivalents at the end of the second quarter of 2023 stood at GBP 223.4 (216.4) million while at the beginning of the quarter it was GBP 230.1 (250.8) million. Please refer to the cash flow section for more detail on the movement during the period and to page 28 for a reconciliation of the unrestricted cash balance.

At 30 June 2023, GBP 157.4 (134.9) million of the Group's facilities was utilised out of a total of GBP 220.3 (185.9) million. The existing financing under the facilities agreement runs until November 2025, with the total committed facilities currently amounting to EUR 256.7 million. The facility also, however, includes an uncommitted accordion feature that permits, under certain conditions, an increase in total commitments up to EUR 325.0 million. The total borrowings recognised in the statement of financial position of GBP 156.5 (134.2) million are reported net of the associated transaction fees for the facilities agreement which are being expensed over its duration.

The Group is therefore in a net debt position, amounting to GBP 3.0 (net cash position of GBP 13.9) million at 30 June 2023. (Net debt)/net cash / EBITDA (rolling 12-month basis) for the quarter was -0.01 (0.06).

GBP

3.0m

Net debt at 30 June 2023

Contingent consideration on Relax acquisition

On 1 October 2021, Kindred completed the acquisition of the remaining outstanding shares in Relax Holding Limited and its subsidiaries (Relax Gaming). In accordance with the terms of the purchase agreement, earn-out payments would become payable, subject to Relax Gaming achieving certain earnings thresholds.

Following confirmation of the final audited performance of Relax Gaming for the 2022 financial year, the final earn-out payment was made during the second quarter of 2023. The final payment totalled GBP 1.9 (EUR 2.2) million and, as a result, GBP 0.2 million of the unused balance previously provided was released as a credit in the condensed consolidated income statement, presented within other gains/(losses) within items affecting comparability.

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 second quarter of 2023 intangible assets of GBP 11.0 (9.3) million have been capitalised, with the increase from the same period in the prior year relating primarily to capitalised development costs.

Capitalised development costs primarily represent capitalised salary costs for those working on the development and enhancement of the platform. Capitalised development costs for the second quarter of 2023 were GBP 10.9 (9.2) million, bringing the total capitalised for the first half of 2023 to GBP 22.1 (17.3) million. This development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining. The increases when compared to the same periods in 2022 are largely impacted by selective headcount increases in its Tech and Development function to support the launch of its proprietary platform in North America and the development of its in-house sportsbook platform.

In the second quarter of 2023 property, plant and equipment of GBP 4.0 (1.2) million has been capitalised, with the increase from the same period in the prior year relating to increased spending on computer hardware and leasehold improvements.

Cash flow

Net cash generated from operating activities amounted to GBP 17.0 (4.6) million for the second quarter of 2023, and GBP 57.4 (15.3) million for the first half of 2023. The increase when comparing to the same periods in 2022 predominantly attributable to the increase in underlying EBITDA, as previously explained, offset somewhat by quite substantial negative working capital movements. Working capital movements are largely attributable to the fluctuations in timing of tax and supplier payments, which can be significant and cause large swings from period to period. For the second quarter of 2023, this also includes payment of GBP 7.1 million to the UK Gambling Commission following the conclusion of the regulatory reviews reported during the first quarter.

Cash flows used in investing activities were GBP 10.2 (14.6) million for the second quarter of 2023 and GBP 22.6 (26.9) million for the first half of 2023. On top of the movements in capital investments detailed above, these metrics include the final earn-out payment for Relax Gaming of GBP 1.9 (4.4) million and the repayment of the convertible bond from Kambi Group plc of GBP 6.5 (nil) million.

Cash flows used in financing activities for the second quarter and first half of 2023 were both primarily impacted by share purchases, totalling GBP 14.1 (8.5) million and GBP 34.2 (23.9) million respectively, and net proceeds from borrowings of GBP 50.1 (22.1) million and GBP 28.1 (22.1) million respectively. The second quarter was also impacted by the payment of the first instalment of the 2022 dividend of GBP 37.2 (36.8) million.

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Net cash generated from operating activities	17.0	4.6	57.4	15.3	138.7
Purchases of property, plant and equipment	-4.0	-1.2	-5.7	-4.4	-9.5
Development and acquisition costs of intangible assets	-11.0	-9.3	-22.2	-18.4	-38.3
Interest paid on lease liabilities	-0.3	-0.3	-0.6	-0.6	-1.2
Repayment of lease liabilities	-3.1	-2.6	-7.3	-6.2	-11.9
Adjust for: customer balance movement	4.4	3.7	10.4	3.7	-8.2
Free cash flow	3.0	-5.1	32.0	-10.6	69.6

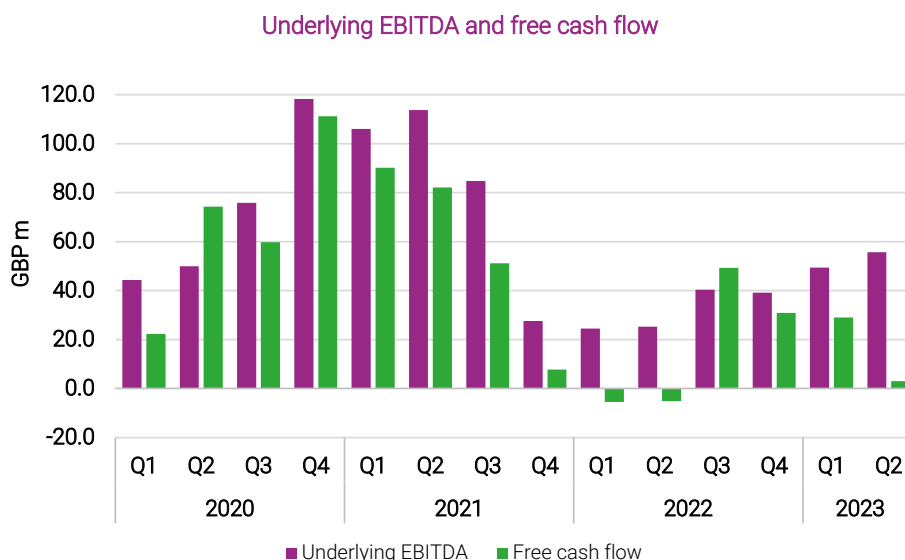
Free cash flow, as defined in the table above, increased by GBP 8.1 million for the quarter and by GBP 42.6 million for the first half of the year when compared to the same periods in the prior year. This is predominantly the result of movements in net cash generated from operating activities and capital investments, as explained above. The lower level of free cash flow when compared to more recent quarters is a result of significant negative working capital movements which, as described above, are largely attributable to the normal fluctuations in the timing of tax and supplier payments.

Quarterly underlying EBITDA and free cash flow are shown in the graph below, with cash conversion for the second quarter of 2023 standing at 5 (-20) per cent. The significant increase in cash conversion from the second quarter of 2022 is directly attributable to the significant increase in underlying EBITDA.

GBP

3.0m

Free cash flow for Q2 2023



Operational review

Market overview

Belgium

The previously communicated marketing ban is now in effect, but partnerships signed before 9 May 2022 can continue. To secure continued exposure, the Unibet brand reconfirmed its main partnership with Club Brugge.

Denmark

Two new operators entered the Danish market during the second quarter.

Kindred participated in the Danish Political Week (Folkemodet) and advocated for fact-based approach to gambling legislation. The political week allows Kindred to engage in dialogue with a wide range of key stakeholders during a short period of time.

The Danish Gaming Authority published its annual report for 2022, showing a slight decline in overall spending among Danes. Discussions were also held on additional self-regulating measures and marketing restrictions.

Finland

A licensing system is proposed to be introduced by 1 January 2026, for improved channelisation and prevention of gambling problems. The proposal suggests that supervision of the industry is to be enhanced with the establishment of a regulator. The work towards re-regulation is expected to commence in August.

France

Unibet signed new partnerships with French MMA fighters Saladhine Parnasse and Benoit Saint Denis to continue communicating in this new area in France.

A conference was held in the French Parliament on the future of gambling regulation. The Senate initiated discussions about the creation of an ad hoc framework for web3 gambling products. The regulator, ANJ, issued guidelines on sports sponsorship.

Netherlands

Several license applications are still pending, according to the regulator KSA.

The previously communicated advertising prohibition took effect on 1 July 2023. Unibet was successful in securing sponsorships, including an exclusive betting partnership with Eredivisie and ESPN.

Norway

The government launched a public consultation on DNS-blocking. This related to GDPR issues which were not addressed in the public consultation in Autumn 2021. The Government is expected to propose a bill to Parliament during the third or fourth quarter of 2023.

The Norwegian Trade Association hosted a second annual gambling seminar focusing on legal issues, including the Norwegian monopoly and wrongful application of EEA-law. Updates on Finland and Sweden were provided.

Romania

During the second quarter, approval of new marketing regulations by the Romanian senate took place, aligning with the industry's proposal.

Regulations include daytime marketing restricted to brand marketing and responsible gambling in connection with sporting events, with no casinos involved. Marketing for casinos is permitted after 11pm, but without offering prizes or bonuses. Outdoor marketing is limited to 30 minutes and restricted to brand marketing only. The proposal is yet to be deliberated in the second parliamentary chamber.

Consideration of an additional proposal to ban gambling venues near schools, hospitals, and community centres.

Sweden

Unibet launched the "Publikstödet" initiative, giving financial support to clubs based on stadium attendance.

Kindred and Spelfriheten co-hosted a round table discussion and workshop on gambling-related issues at the political week in Almedalen. A new workshop will be hosted in Stockholm in September to continue discussions on concrete initiatives. The Swedish government granted new powers to the gambling regulator. These include:

- Opportunities to involve payment service providers to block bets and payout of winnings to and from unlicensed gaming companies.
- Possibility for the Swedish Gambling Authority to purchase gambling services under a hidden identity as part of the supervision of gambling companies.
- Possibilities to store and pass on personal data to prevent so-called match-fixing, i.e. when a sporting event has been manipulated in connection with betting.
- Obligation for gambling companies to disclose information to the Police Authority on request that is needed to investigate crimes in connection with gambling.

UK

Kindred's UK market saw the successful launch of the National Bet Builder campaign across various channels including TV, radio, press, and digital platforms. A through-the-line campaign was implemented to support the initiative.

The release of the long-awaited White Paper, laying the groundwork for changes in financial risk checks (affordability), online slot stake limits, cross-selling/opt-in marketing restrictions, and a statutory levy. Consultations on the key areas of the White Paper to be launched in July 2023.

North America

In May, Kindred announced its partnership with the Swinomish Tribe in Washington State, marking the Group's 13th retail launch in North America. The partnership follows the announcement of a six-year agreement with the Swinomish Tribe in October 2022.

Another key milestone is the investment and launch of Kindred's proprietary platform in New Jersey within the second quarter of 2023. This will allow New Jersey customers to benefit from a more tailored and improved user experience which is at the heart of Kindred's group strategy. The platform is already demonstrating improvements to new customer journeys, indicated by both improved registration to new depositor conversion rates and improving rates of new players making multiple deposits. Following from the New Jersey launch, Pennsylvania was the second state to migrate to the proprietary platform on 10 July 2023.

Product segment overview

Sports betting

KSP

The KSP project is progressing smoothly with all planned timelines on track towards a test market launch at the end of 2023.

Netherlands Android app launch

The android sportsbook app was successfully added to Playstore in the Netherlands, being the first in the market to do so.

Quick browse rollout

A new feature within the Watch & Bet streaming tool was launched in the quarter, allowing customers to switch to other streamed events without leaving Watch & Bet and open it up again.

New landing page and widget adjustment - Australia

A new landing page was rolled out in time for the football Women's World Cup and is now being implemented in Australia, concluding the rollout.

The Live widget has also been adjusted to focus on "Starting soon" events, optimising the content for Australian customers.

New retail location - Belgium

Another retail location has been opened in Belgium, accompanied by an increased number of terminals.

Kambi 'my bets' pages

The new Kambi 'my bets' pages have been released in two different batches to provide an improved user experience.

Popular Betbuilders

A/B testing is currently being conducted on the most popular Betbuilder widget on event pages. The goal is to increase its visibility and encourage more customer interaction. On the landing page, the number of displayed popular Betbuilders has been increased from four to six.

Casino & Games

During the second quarter, the casino business has continued to focus on offering a strong and diverse casino product supported by the release of 18 exclusive slots and further content through three new suppliers. One of the exclusive slots launched this quarter, is the third exclusive game launched in collaboration with Relax Gaming, with plans to release more games in the future.

Improvements were made to the exclusive offering of "classic" slot games in the Netherlands with the launch of "Runner8Runner". These were well-received by players.

Increased casino traffic was generated by revamping the games tab to include popular categories like Crash games, Mine games, and slingo content.

Live casino

Evolution launched Funky Time, the most expensive and complex game in live casino, featuring the new Digi Wheel technology.

Pragmatic Play released the Game Show Snakes and Ladders, which quickly became one of the top three most played games from the provider.

The customer journey experience was enhanced by reorganising live casino games on the casino page, improving live data visuals on game tiles, and adding a sub-category to the Blackjack section.

Award nominations

Unibet was nominated in nine categories, including Best Live Casino, in the Online Casino of the Year awards organised by CasinoNieuws.nl and OneTime.

Performance and future plans

Evolution and Pragmatic Play announced exciting roadmaps for the rest of the year, with Pragmatic Play preparing a blockbuster release.

Planned updates include introducing Unibet branded Speed Roulette, discussing a new game type with Evolution for the Dutch Studio, launching a global-level Promotional Wheel campaign, and releasing Live Casino Game widgets.

Poker

During the second quarter of 2023, Kindred announced a Unibet Open poker event to be hosted in Romania. The qualifying live tournaments for this event commenced during the quarter.

To continue diversifying the poker product offering, the new Banzai cash game was introduced in France, featuring retro game graphics and non-monetary gamification elements.

An auto top-up feature was released for cash games, allowing players to always play with the maximum amount of chips without manual clicks.

Bingo

An exclusive minigame, Money Mansion 2, with Dream Drop Jackpot, was launched during the quarter, generating significant clicks during its initial two weeks.

Upcoming plans include launching a new exclusive minigame, A Money Cart slot franchise, exclusively for the bingo minigame offering, and further updates to improve user experience in finding and identifying game rounds.

Sustainability overview

Sustainable Gambling Conference

It was confirmed this quarter that the next Sustainable Gambling Conference will be held on 20 March 2024, in London at the Kia Oval.

CSRD – the Corporate Sustainability Reporting Directive is the reporting standard Kindred is required to align with for the 2025 annual sustainability report (based on the 2024 calendar year). During the second quarter a gap analysis was completed to document what needs to be changed or developed in order to meet the requirements. The next phase of this work is to complete a double materiality assessment and establish a governance group to ensure the requirements are met.

Journey towards Zero

In the second quarter of 2023, the percentage of Gross winnings revenue from harmful gambling declined slightly to 3.1 per cent compared to 3.3 for the first quarter of 2023. Due to a miscalculation, Kindred reported inaccurate numbers for the share of revenue from harmful gambling for Q4 2022 and Q1 2023. The miscalculation was due to a data handling error in connection with an update of the data reporting on self-excluded customers and has since been resolved.

The second quarter of 2023 saw 86 per cent of customers displaying healthier gambling behaviour after detection and intervention, compared to 83 per cent in the first quarter of this year.

Kindred continuously develops and improves its monitoring of harmful gambling, and as such historic and comparative data may be impacted. Kindred does not intend to publish restated historic data.

Sweden

Unibet together with Swedish Elite Football (SEF), who organise the two top leagues Allsvenskan and Superettan, entered into an agreement with Spelfriheten, an organisation that focuses on helping people with gambling addictions. Unibet, SEF and Spelfriheten will visit the 32 clubs in the Allsvenskan and the Superettan throughout the season to highlight the problems that can arise when gambling and what help is available for those who have problems.

During 2023 we have implemented enhanced customer controls measures to mitigate AML and improve our responsible gambling efforts.

UK

Kindred will, via its Unibet and 32Red brands, continue to be the principal sponsor of Rangers F.C. and Middlesbrough F.C. into the 23/24 season. Both teams will feature 'Zero% Mission' branding on their first team kits for the first time, an important moment in leveraging our commitment to safer gaming and the 'Zero% Mission' to the consumer audience.

Our Journey towards Zero commitment will also be promoted during Kindred's Sky Sports News at 10 broadcast sponsorship which has been renewed for another year.

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 and Sustainability Report and Accounts for the year ended 31 December 2022.

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

Employees

The Kindred Group had 2,446 (2,140) employees at 30 June 2023, compared with 2,436 employees at 31 March 2023. The increase from the same quarter of the prior year is a result of selected headcount growth, as explained in the administrative expenses section on page 12. The number of consultants amounted to 213 (188) at 30 June 2023.

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 44 to 49 and pages 93 to 97 of the Annual and Sustainability Report and Accounts for the year ended 31 December 2022 available from www.kindredgroup.com.

Tax environment

The Group operates in multiple jurisdictions and complies with both national and international tax rules. The digitalisation of the economy has recently brought new tax challenges to companies operating in this sector whose established business models - in line with industry practice - are under greater scrutiny from tax authorities.

In very recent years, enquiries and contact with tax authorities have become more frequent and an integral part of our compliance management. The Group is committed to working constructively with tax authorities to aid their understanding of our tax affairs in their respective jurisdictions and aiming to reach a conclusion to the assessments as swiftly as possible.

Malta, 25 July 2023

Nils Andén
Interim CEO

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

Registered in Malta. Company number C 39017. 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	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Revenue	307.3	238.7	613.7	485.4	1,068.7
Betting duties	-81.4	-57.4	-161.6	-119.2	-272.8
Marketing revenue share	-9.9	-11.0	-18.7	-22.2	-41.8
Other cost of sales	-43.2	-38.5	-88.6	-78.7	-170.3
Cost of sales	-134.5	-106.9	-268.9	-220.1	-484.9
Gross profit	172.8	131.8	344.8	265.3	583.8
Marketing costs	-52.6	-50.1	-107.4	-107.1	-227.2
Salaries	-41.9	-34.5	-86.4	-67.5	-140.8
Other operating expenses	-22.6	-21.9	-45.9	-40.9	-86.6
Depreciation of property, plant and equipment	-2.9	-3.6	-5.9	-7.2	-14.0
Depreciation of right-of-use assets	-3.4	-3.0	-6.9	-5.9	-12.1
Amortisation of intangible assets	-9.5	-7.0	-18.1	-14.2	-30.1
Total administrative expenses	-80.3	-70.0	-163.2	-135.7	-283.6
Underlying profit before items affecting	39.9	11.7	74.2	22.5	73.0
Personnel restructuring costs	-2.4	-0.1	-3.9	-0.2	-0.3
Regulatory sanctions	-	-	-	-	-8.0
Market closure and contract termination costs	-1.2	-0.6	-2.6	-0.6	-2.5
Subsidy for warrants, incentive programme	-	-	-	-	-0.8
Strategic review costs	-1.9	-	-1.9	-	-
Other gains/(losses)	1.2	-3.0	2.0	-5.4	69.9
Profit from operations	35.6	8.0	67.8	16.3	131.3
Finance costs	-3.0	-1.4	-5.3	-2.2	-5.9
Finance income	0.5	0.4	1.0	0.5	1.4
Profit before tax	33.1	7.0	63.5	14.6	126.8
Income tax expense	-5.4	-1.2	-10.2	-2.4	-6.7
Profit after tax	27.7	5.8	53.3	12.2	120.1
Profit is attributable to:					
Owners of Kindred Group plc	27.7	5.8	53.2	12.1	119.9
Non-controlling interests	-	-	0.1	0.1	0.2
Total profit	27.7	5.8	53.3	12.2	120.1
Earnings per share (GBP)	0.13	0.03	0.25	0.06	0.54
Diluted earnings per share (GBP)	0.13	0.03	0.24	0.05	0.54

Condensed consolidated statement of comprehensive income

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Profit after tax	27.7	5.8	53.3	12.2	120.1
Other comprehensive income					
Currency translation adjustments taken to equity	-19.5	6.4	-25.9	9.5	21.8
Gains/(losses) on net investment hedge	6.0	-	7.3	-0.3	-1.6
Total comprehensive income for the period	14.2	12.2	34.7	21.4	140.3
Total comprehensive income for the period is attributable to:					
Owners of Kindred Group plc	14.2	12.1	34.6	21.3	139.8
Non-controlling interests	-	0.1	0.1	0.1	0.5
Total comprehensive income for the period	14.2	12.2	34.7	21.4	140.3

Condensed consolidated balance sheet

GBP m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets			
Non-current assets			
Property, plant and equipment	17.5	20.9	19.1
Right-of-use assets	44.9	48.8	49.7
Goodwill	428.1	431.7	438.4
Other intangible assets	268.8	263.2	270.4
Deferred tax assets	42.0	27.8	40.0
Convertible bond	-	6.5	6.8
Other non-current assets	3.9	3.2	3.5
	805.2	802.1	827.9
Current assets			
Taxation recoverable	38.0	54.6	70.8
Trade and other receivables	73.9	69.2	66.5
Financial assets at fair value through profit and loss	-	-	1.1
Cash and cash equivalents	223.4	216.4	254.9
	335.3	340.2	393.3
Total assets	1,140.5	1,142.3	1,221.2
Equity and liabilities			
Capital and reserves			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	7.0	14.9	25.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	510.7	469.8	524.9
Total equity attributable to the owners	556.4	523.4	589.2
Non-controlling interest	5.9	6.0	5.8
Total equity	562.3	529.4	595.0
Non-current liabilities			
Borrowings	156.5	134.2	135.5
Lease liabilities	31.8	38.7	37.8
Deferred tax liabilities	22.5	22.4	22.5
Provisions	1.8	2.4	1.9
	212.6	197.7	197.7
Current liabilities			
Trade and other payables	197.1	168.0	199.6
Customer balances	69.9	68.3	80.2
Deferred income	3.7	3.1	5.9
Tax liabilities	63.8	73.1	107.1
Lease liabilities	14.2	11.3	13.6
Other financial liabilities at fair value through profit and loss	3.0	79.0	2.2
Provisions	13.9	12.4	19.9
	365.6	415.2	428.5
Total liabilities	578.2	612.9	626.2
Total equity and liabilities	1,140.5	1,142.3	1,221.2

Condensed consolidated statement of changes in equity

GBP m	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Opening balance of total equity at beginning of period	597.3	560.6	595.0	565.2	565.2
Comprehensive income					
Profit for the period	27.7	5.8	53.3	12.2	120.1
Other comprehensive income:					
Currency translation adjustments taken to equity	-19.5	6.4	-25.9	9.5	21.8
Gains/(losses) on net investment hedge	6.0	-	7.3	-0.3	-1.6
Total comprehensive income	14.2	12.2	34.7	21.4	140.3
Transactions with owners					
Employee share schemes - value of employee services	-10.5	-3.2	-8.6	-1.6	2.1
Sale of warrants, incentive program	-	-	-	-	0.4
Treasury share purchases	-14.1	-8.5	-34.2	-23.9	-43.9
Disposal / utilisation of treasury shares	12.7	5.3	12.7	5.3	5.3
Dividend paid to shareholders	-37.3	-37.0	-37.3	-37.0	-73.8
Dividend paid to non-controlling interests	-	-	-	-	-0.6
Total transactions with owners	-49.2	-43.4	-67.4	-57.2	-110.5
Closing balance of total equity at end of period	562.3	529.4	562.3	529.4	595.0
Equity is attributable to:					
Owners of Kindred Group plc	556.4	523.4	556.4	523.4	589.2
Non-controlling interests	5.9	6.0	5.9	6.0	5.8
Total equity	562.3	529.4	562.3	529.4	595.0

Condensed consolidated cash flow statement

GBP m	Q2		Jan-Jun		Full year 2022
	2023	2022	2023	2022	
Operating activities					
Profit from operations	35.6	8.0	67.8	16.3	131.3
Adjustments for:					
Depreciation of property, plant and equipment	2.9	3.6	5.9	7.2	14.0
Depreciation of right-of-use assets	3.4	3.0	6.9	5.9	12.1
Amortisation of intangible assets	9.5	7.0	18.1	14.2	30.1
Loss on disposal of intangible assets	-	0.5	-	0.5	0.9
Loss on disposal of property, plant & equipment	-	-	0.1	-	0.1
Other losses/(gains)	2.5	0.2	3.8	2.4	-78.0
Share-based payments	2.3	2.1	4.2	3.7	7.4
Operating cash flows before movements in working capital	56.2	24.4	106.8	50.2	117.9
(Increase)/ decrease in trade and other receivables	-2.6	0.6	-7.9	-16.9	-14.5
(Decrease)/increase in trade and other payables, including customer balances and provisions	-17.7	-9.2	-16.8	1.3	54.5
Cash flows from operating	35.9	15.8	82.1	34.6	157.9
Net income taxes paid	-18.9	-11.2	-24.7	-19.3	-19.2
Net cash generated from operating activities	17.0	4.6	57.4	15.3	138.7
Investing activities					
Acquisition of subsidiaries, net of cash acquired	-0.4	-	-0.4	-	-
Settlement of contingent consideration	-1.9	-4.4	-1.9	-4.4	-4.4
Interest received	0.6	0.3	1.1	0.3	0.7
Settlement of convertible bond	6.5	-	6.5	-	-
Purchases of property, plant and equipment	-4.0	-1.2	-5.7	-4.4	-9.5
Development and acquisition costs of intangible assets	-11.0	-9.3	-22.2	-18.4	-38.3
Net cash used in investing activities	-10.2	-14.6	-22.6	-26.9	-51.5
Financing activities					
Interest paid	-3.5	-1.3	-4.5	-2.2	-5.6
Interest paid on lease liabilities	-0.3	-0.3	-0.6	-0.6	-1.2
Repayment of lease liabilities	-3.1	-2.6	-7.3	-6.2	-11.9
Dividend paid to shareholders	-37.2	-36.8	-37.2	-36.8	-73.2
Dividend paid to non-controlling interests	-	-	-	-	-0.6
Treasury share purchases	-14.1	-8.5	-34.2	-23.9	-43.9
Sale of warrants, incentive program	-	-	-	-	0.4
Proceeds from borrowings	89.6	60.5	89.6	60.5	76.7
Repayment of borrowings	-39.5	-38.4	-61.5	-38.4	-54.2
Net cash used in financing activities	-8.1	-27.4	-55.7	-47.6	-113.5
Net decrease in cash and cash equivalents	-1.3	-37.4	-20.9	-59.2	-26.3
Cash and cash equivalents at beginning of period	230.1	250.8	254.9	270.6	270.6
Effect of foreign exchange rate changes	-5.4	3.0	-10.6	5.0	10.6
Cash and cash equivalents at end of period	223.4	216.4	223.4	216.4	254.9

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 13 and 14 for corresponding reconciliations of underlying EBITDA and EBITDA respectively, and page 16 for a corresponding reconciliation of free cash flow.

Condensed consolidated balance sheet measures

GBP m	30 Jun 2023	30 Jun 2022	31 Dec 2022
Cash and cash equivalents	223.4	216.4	254.9
Customer balances	-69.9	-68.3	-80.2
Unrestricted cash	153.5	148.1	174.7
Less: Borrowings	-156.5	-134.2	-135.5
(Net debt) / net cash	-3.0	13.9	39.2

Key ratios

	Q2		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Gross winnings revenue from locally regulated markets (%)	82%	78%	81%	77%	79%
B2C marketing as a % of Gross winnings revenue (%)	21%	26%	21%	27%	26%
Return on average equity, annualised (%)	25%	6%	24%	6%	23%
Underlying EBITDA margin (%)	18%	11%	17%	10%	12%
(Net debt) / net cash / EBITDA, rolling 12-month basis	-0.01	0.06	-0.01	0.06	0.21
Cash conversion (%)	5%	-20%	30%	-21%	54%
Free cash flow per share (GBP)	0.01	-0.02	0.15	-0.05	0.32
Earnings per share (GBP)	0.13	0.03	0.25	0.06	0.54
Diluted earnings per share (GBP)	0.13	0.03	0.24	0.05	0.54
Employees at period end	2,446	2,140	2,446	2,140	2,332
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,485,151	231,330,688	231,485,151	231,330,688	232,074,281
Weighted average number of outstanding shares	215,361,434	220,257,348	216,183,179	221,143,584	220,068,616
Weighted average number of diluted outstanding shares	217,380,298	221,741,214	218,456,151	222,714,418	222,094,481

¹ At 30 June 2023 the total issued shares were 230,126,200. Of these, 15,117,946 shares are held by the Group as a result of previous repurchase programmes.

FX rates and constant currency impact

Balance sheet rates:	30 Jun	30 Jun	
Rate to GBP	2023	2022	YoY Delta
AUD	1.911	1.759	-8.6%
DKK	8.677	8.668	-0.1%
EUR	1.165	1.165	0.0%
NOK	13.637	12.058	-13.1%
SEK	13.755	12.503	-10.0%
USD	1.266	1.210	-4.6%

Income statement averages for the quarter:

Rate to GBP	Avg Q2	Avg Q2	YoY Delta
	2023	2022	
AUD	1.874	1.758	-6.6%
DKK	8.567	8.776	2.4%
EUR	1.150	1.180	2.5%
NOK	13.407	11.820	-13.4%
SEK	13.186	12.352	-6.8%
USD	1.252	1.257	0.4%

Based on the Group's results calculated in constant currency, the estimated foreign exchange impact on the results for the second quarter of 2023 is as follows:

GBP m	Q2
	2023
Revenue	2.0
Cost of sales / operating expenses	0.5
Underlying EBITDA	2.5
Foreign currency gain on operating items	5.7
Other items below EBITDA	0.2
Profit after tax	8.4

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 profit from operations between its B2C business, Kindred Group (excluding Relax Gaming), and its B2B business, Relax Gaming. The numbers for each segment are inclusive of intercompany transactions, which for total Kindred Group numbers are eliminated in the column entitled eliminations.

Q2 2023

GBP m	Kindred Group (B2C excluding Relax Gaming)	Relax Gaming (B2B)	Eliminations	Total
Gross winnings revenue (B2C)	297.4	-	0.9	298.3
Other revenue (B2B)	-	12.2	-3.2	9.0
Total revenue	297.4	12.2	-2.3	307.3
Cost of sales	-134.7	-1.9	2.1	-134.5
Gross profit	162.7	10.3	-0.2	172.8

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	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	74.9	74.3	81.4	66.1	57.7	67.9	149.2	125.6	273.1
Nordics	24.8	26.4	26.8	25.6	23.4	24.9	51.2	48.3	100.7
Central, Eastern and Southern Europe	10.7	12.1	9.4	9.3	9.1	11.1	22.8	20.2	38.9
Other	6.1	7.4	4.2	7.9	7.6	7.4	13.5	15.0	27.1
Total	116.5	120.2	121.8	108.9	97.8	111.3	236.7	209.1	439.8

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	30%	9%	35%	-15%	-52%	-41%	19%	-46%	-26%
Nordics	6%	6%	13%	8%	-27%	-11%	6%	-20%	-6%
Central, Eastern and Southern Europe	18%	9%	13%	9%	-18%	1%	13%	-9%	0%
Other	-20%	0%	-53%	30%	-6%	16%	-10%	3%	-8%
Total	19%	8%	20%	-6%	-43%	-30%	13%	-37%	-20%

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION

OTHER PRODUCT SEGMENTS - CASINO, POKER & OTHER GAMES BY REGION	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	105.2	99.9	94.2	85.7	61.8	59.2	205.1	121.0	300.9
Nordics	46.7	50.2	50.9	52.7	50.8	48.9	96.9	99.7	203.3
Central, Eastern and Southern Europe	22.4	20.2	20.2	18.2	17.1	16.7	42.6	33.8	72.2
Other	7.5	6.8	8.0	6.4	6.0	6.3	14.3	12.3	26.7
Total	181.8	177.1	173.3	163.0	135.7	131.1	358.9	266.8	603.1

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	70%	69%	50%	-23%	-51%	-53%	70%	-52%	-30%
Nordics	-8%	3%	0%	14%	17%	23%	-3%	20%	13%
Central, Eastern and Southern Europe	31%	21%	5%	6%	-1%	-7%	26%	-4%	1%
Other	25%	8%	27%	-12%	-13%	-26%	16%	-20%	-8%
Total	34%	35%	24%	-11%	-30%	-32%	35%	-31%	-15%

TOTAL BY REGION

TOTAL BY REGION	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Western Europe	180.1	174.2	175.6	151.8	119.5	127.1	354.3	246.6	574.0
Nordics	71.5	76.6	77.7	78.3	74.2	73.8	148.1	148.0	304.0
Central, Eastern and Southern Europe	33.1	32.3	29.6	27.5	26.2	27.8	65.4	54.0	111.1
Other	13.6	14.2	12.2	14.3	13.6	13.7	27.8	27.3	53.8
Total	298.3	297.3	295.1	271.9	233.5	242.4	595.6	475.9	1,042.9

Share of total (%)

Western Europe	60%	58%	60%	56%	51%	52%	59%	51%	55%
Nordics	24%	26%	26%	29%	32%	31%	25%	31%	29%
Central, Eastern and Southern Europe	11%	11%	10%	10%	11%	11%	11%	11%	11%
Other	5%	5%	4%	5%	6%	6%	5%	6%	5%

Quarterly Year-on-Year & Year-on-Year growth (%)

Western Europe	51%	37%	43%	-20%	-51%	-47%	44%	-49%	-28%
Nordics	-4%	4%	4%	12%	-2%	9%	0%	3%	6%
Central, Eastern and Southern Europe	26%	16%	7%	7%	-7%	-4%	21%	-6%	1%
Other	0%	4%	-20%	7%	-9%	-8%	2%	-9%	-8%
Total	28%	23%	23%	-9%	-36%	-31%	25%	-34%	-17%

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	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross winnings revenue (GBP m)									
Sports betting	116.5	120.2	121.8	108.9	97.8	111.3	236.7	209.1	439.8
Casino & games	169.5	162.1	159.3	149.5	123.4	119.8	331.6	243.2	552.0
Poker	8.0	9.4	8.6	7.4	6.6	7.1	17.4	13.7	29.7
Other	4.3	5.6	5.4	6.1	5.7	4.2	9.9	9.9	21.4
Total	298.3	297.3	295.1	271.9	233.5	242.4	595.6	475.9	1,042.9
Share of total (%)									
Sports betting	39%	40%	41%	40%	42%	46%	40%	44%	42%
Casino & games	57%	55%	54%	55%	53%	49%	55%	51%	53%
Poker	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other	1%	2%	2%	2%	2%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth (%)									
Sports betting	19%	8%	20%	-6%	-43%	-30%	13%	-37%	-20%
Casino & games	37%	35%	25%	-11%	-30%	-32%	36%	-31%	-15%
Poker	21%	32%	19%	7%	-12%	-23%	27%	-18%	-4%
Other	-25%	33%	10%	-16%	-33%	-46%	0%	-39%	-25%
Total	28%	23%	23%	-9%	-36%	-31%	25%	-34%	-17%

Sports betting margins

	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Sports betting stakes (GBP m)	1,029.6	1,211.6	1,364.9	1,105.5	1,051.7	1,096.2	2,241.2	2,147.9	4,618.3
Sports betting Gross winnings revenue:									
Live betting (GBP m)	58.1	64.0	63.1	61.3	54.6	55.3	122.1	109.9	234.3
Live betting margin (%)	10.6%	10.2%	9.2%	10.0%	9.5%	9.7%	10.6%	9.6%	9.6%
Live betting share (%)	45.9%	47.6%	45.3%	49.7%	48.7%	43.9%	46.8%	46.1%	46.8%
Pre-game betting (GBP m)	68.4	70.4	76.3	62.0	57.6	70.7	138.8	128.3	266.6
Pre-game betting margin (%)	14.1%	12.0%	11.2%	12.6%	12.1%	13.4%	14.1%	12.8%	12.3%
Pre-game betting share (%)	54.1%	52.4%	54.7%	50.3%	51.3%	56.1%	53.2%	53.9%	53.2%
Total before free bets (GBP m)	126.5	134.4	139.4	123.3	112.2	126.0	260.9	238.2	500.9
Sports betting margin - before free bets (%)	12.3%	11.1%	10.2%	11.2%	10.7%	11.5%	11.6%	11.1%	10.8%
Free bets (GBP m)	-10.0	-14.2	-17.6	-14.4	-14.4	-14.7	-24.2	-29.1	-61.1
Total after free bets (GBP m)	116.5	120.2	121.8	108.9	97.8	111.3	236.7	209.1	439.8
Sports betting margin - after free bets (%)	11.3%	9.9%	8.9%	9.9%	9.3%	10.2%	10.6%	9.7%	9.5%

Total margin across all product segments

	2023			2022			2023 YTD	2022 YTD	2022 FY
	Q2	Q1	Q4	Q3	Q2	Q1			
Total margin all product segments - before free bets (%) ¹	5.8%	5.7%	5.5%	5.6%	5.7%	5.6%	5.8%	5.6%	5.6%

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 16) 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, regulatory sanctions, market closure and contract termination costs, subsidy for warrants – incentive programme, strategic review costs, and other gains/(losses).

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, 25 July 2023, Kindred Group's Interim CEO Nils Andén and Interim CFO Patrick Kortman will host a web presentation in English at 10:00 (CEST) which will be web casted live on <https://www.kindredgroup.com/q22023>. For those who would like to participate in the telephone conference in connection with the presentation, access by registering [here](#). After registration you will be provided phone numbers and a conference ID to access the conference.

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Forthcoming financial reporting timetable

Interim report January – September 2023	26 October 2023
Full year report 2023	7 February 2024
Interim report January – March 2024	24 April 2024
Interim report January – June 2024	24 July 2024
Interim report January – September 2024	25 October 2024