

Kindred Group Press Release

Malta, 26 April 2023

Growth and accelerated cost optimisation remain in focus to drive further scalability

Kindred Group plc – Interim report: January – March 2023 (unaudited)

First quarter 2023

- Total revenue, from both B2B and B2C operations, was GBP 306.4 (246.7) million.
- Gross winnings revenue (B2C) increased by 23 per cent to GBP 297.3 (242.4) million, a decrease of 1 per cent excluding the Netherlands.
- Underlying EBITDA increased by 102 per cent to GBP 49.4 (24.5) million.
- Profit before tax was GBP 30.4 (7.6) million.
- Profit after tax was GBP 25.6 (6.4) million.
- Earnings per share were GBP 0.12 (0.03).
- 2,286,000 shares/SDRs were purchased, with a total value of SEK 253.8, or GBP 20.1 million.
- Free cash flow amounted to GBP 29.0 (-5.5) million.
- Number of active customers increased by 18 per cent to 1,623,568 (1,377,317), an increase of 3 per cent excluding the Netherlands.

CEO Henrik Tjärnström comments the first quarter of 2023

“The first quarter of 2023 has seen encouraging improvements in both revenue and profitability, with the underlying EBITDA margin increasing to 16 per cent. The cost optimisation initiatives previously communicated have been implemented during the quarter, however there is a lag before we see the full effect on the numbers.”

“Total Group revenue increased by 24 per cent to GBP 306.4 million for the first quarter of 2023 compared to the same period of last year. Within the B2C business improved activity across core markets, especially the Netherlands, helped contribute to this strong start to the year. The B2B business further supported through exceptionally strong growth, with Relax Gaming revenue increasing by 90 per cent compared to the same period last year.”

“Our strategic focus on unique products and increased control of our offering has resulted in our second exclusive game from Relax Gaming launching during the first quarter. The game is among the top five releases in the past twelve months and a top three performer in 2023, proving the value created through exclusive and high-quality content.”

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Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, Malta. Company No: C 39017. Registered in Malta.



“The Netherlands continues to exceed our expectations with Gross winnings revenue contribution of GBP 57.3 million in the first quarter of this year, a sequential increase of 8 per cent. We remain firmly on track towards market leadership for the full year 2023. However, while most of our core markets continue to perform well, the challenges faced in Belgium continue. This is primarily related to Kindred putting in place stricter anti-money laundering checks and improved responsible gambling processes.”

“North America is seeing positive developments, with Gross winnings revenue increasing to GBP 8.0 million and a declining negative underlying EBITDA contribution of GBP 5.5 million. On 14 April we received approval from the New Jersey Division of Gaming Enforcement for our proprietary Kindred platform, which we are expecting will go live in mid-May. This is great news and will provide Unibet customers in New Jersey with an enhanced experience and give us better control of performance and the customer offering.”

“I previously communicated that the cost optimisation actions would strengthen our path towards our 2025 financial targets. The first quarter of 2023 has shown encouraging performance and I see positive signs across our business.”

Trading update up to and including 23 April 2023

The average daily Gross winnings revenue for the Group, up to and including 23 April 2023, was GBP 3.54 million, 38 per cent (36 per cent in constant currency) higher than the daily average for the full second quarter of 2022. The average daily Gross winnings revenue for the Group excluding the Netherlands, up to and including 23 April 2023, was GBP 2.83 million, 10 per cent (9 per cent in constant currency) higher than the daily average for the full second quarter of 2022.

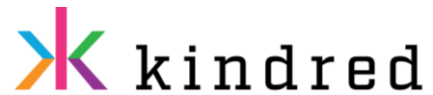
Sports betting Gross winning revenue has been positively impacted by a stronger sports betting margin of 12.2 per cent after free bets for the above period, compared to 9.3 per cent for the full second quarter of 2022.

Kindred Group’s presentation of the interim report

Kindred Group’s CEO Henrik Tjärnström will host a web presentation in English at 10.00 (CEST) which is webcasted live on <https://www.kindredgroup.com/Q12023>.

To access the telephone conference in connection with the presentation, please register at <https://conference.financialhearings.com/teleconference/?id=5009341>. After registration you will be provided phone numbers and a conference ID to access the conference.

Please call in well in advance for registration. There will be an opportunity to ask questions after the presentation.



This disclosure contains information that Kindred Group is obliged to make public pursuant to the EU Market Abuse Regulation (EU No. 596/2014) and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person, on 2023-04-26 07:30 CEST.

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About Kindred Group

Kindred Group is one of the world's leading online gambling operators with business across Europe, US and Australia, offering over 30 million customers across 9 brands a great form of entertainment in a safe, fair and sustainable environment. The company, which employs over 2,000 people, is listed on Nasdaq Stockholm Large Cap and is a member of the European Gaming and Betting Association (EGBA) and founding member of IBIA (International Betting Integrity Association). Kindred Group is audited and certified by eCOGRA for compliance with the 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). Read more on www.kindredgroup.com.

Nasdaq Stockholm, KIND-SDB

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