

## Kindred Group plc

Interim report January – March 2019 (unaudited)

### First quarter highlights

- **Gross winnings revenue amounted to GBP 224.4 (207.8) million for the first quarter of 2019, an increase of 8 per cent.**
- **Gross winnings revenue from the Swedish market for the first quarter of 2019 amounted to SEK 207.4 million after deduction of bonuses of SEK 137.9 million.**
- **Underlying EBITDA for the first quarter of 2019 was GBP 30.6 (47.5) million.**
- **Profit before tax for the first quarter of 2019 amounted to GBP 17.7 (33.6) million.**
- **Profit after tax for the first quarter of 2019 amounted to GBP 15.1 (29.9) million.**
- **Earnings per share for the first quarter of 2019 were GBP 0.067 (0.131).**
- **Number of active customers during the first quarter was 1,631,636 (1,383,201).**

### **“All-time high in active customers but, as expected, profits for the quarter significantly impacted by the new local licence in Sweden”**

“During the quarter we have had strong levels of activity across all markets and all-time highs in active customers and Sports betting turnover. This is the result of our continued investment in marketing, where focus has been in relation to responsible gambling in Sweden and football sponsorships in the UK.”

“As anticipated for several years, the re-regulation of the Swedish market resulted in significant short term margin pressure, particularly in the first quarter. The single biggest impact came from all legacy and new Swedish customers being awarded with one additional bonus under the terms of the new licensing system. The significant uptake on customer bonuses, especially in January and February, resulted in bonus expenditure increasing with GBP 6.6 million for the first quarter compared with the same period last year. Bonus costs stabilised later in the quarter and by March were lower than last year with full year costs expected to be lower than for 2018.”

“Other significant items affecting the quarter was the Swedish betting duties paid of GBP 5.2 million but also marketing investments increasing with GBP 3.8 million. This has significantly influenced the Gross winnings revenue in the quarter but also EBITDA. The total effect on Group EBITDA from the Swedish market opening in the first quarter was a reduction of GBP 18.9 million compared to the first quarter last year. Whilst these are significant numbers, we always expected the opening of the market to result in an initial margin pressure but we are confident that we have a solid base to build from and are expecting continuous improvements from here.”

“During the first quarter of 2019, Gross winnings revenue from mobile grew by 17 per cent compared to the first quarter of last year and amounted to 77 per cent of our total Gross winnings revenue. Of the Group’s Gross winnings revenue, 57 per cent came from locally-regulated markets.”

“For the period 1 April to 21 April 2019, the daily average Gross winnings revenue in GBP was 10 per cent higher (12 per cent in constant currency) than for the same period last year,” says Henrik Tjärnström, CEO of Kindred Group.

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Today, Wednesday 24 April 2019, Kindred Group’s CEO Henrik Tjärnström will host a presentation in English at Kindred’s office at Regeringsgatan 29, in Stockholm at 9.00 CEST.

The presentation is also webcast live on [www.kindredgroup.com/Q12019](http://www.kindredgroup.com/Q12019). For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 33 3300 9034 or the USA: +1 833 526 8380.

The Kindred Group operates in locally-regulated markets through its gambling licences in the UK, Sweden, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia, as well as other markets internationally through its gambling licences in Malta and Gibraltar. The Kindred Group pays betting duties in all markets in accordance with applicable local laws.

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

## Q1 SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q1		Full Year	Rolling 12 months <sup>5</sup>
	2019 GBP 'm	2018 GBP 'm	2018 GBP 'm	GBP 'm
Gross winnings revenue	224.4	207.8	907.6	924.2
EBITDA <sup>1</sup>	30.6	47.3	202.8	186.1
Underlying EBITDA <sup>2</sup>	30.6	47.5	203.7	186.8
Profit before tax	17.7	33.6	149.5	133.6
Profit after tax	15.1	29.9	131.6	116.8
Unrestricted cash <sup>3</sup>	42.6	78.2	98.0	
Borrowings	-147.3	-143.0	-194.3	
Net cash/(Net debt) <sup>4</sup>	-104.7	-64.8	-96.3	
	GBP	GBP	GBP	GBP
EBITDA <sup>1</sup> per share	0.135	0.208	0.893	0.821
Underlying EBITDA <sup>2</sup> per share	0.135	0.208	0.897	0.824
Earnings per share	0.067	0.131	0.580	0.515
Unrestricted cash <sup>3</sup> per share	0.185	0.340	0.426	
Net cash/(Net debt) <sup>4</sup> per share	-0.455	-0.282	-0.418	

SEK	Q1		Full Year	Rolling 12 months <sup>5</sup>
	2019 SEK 'm	2018 SEK 'm	2018 SEK 'm	SEK 'm
Gross winnings revenue	2,679.1	2,346.5	10,524.5	10,857.2
EBITDA <sup>1</sup>	365.3	534.1	2,351.7	2,182.9
Underlying EBITDA <sup>2</sup>	365.3	536.4	2,362.1	2,191.1
Profit before tax	211.3	379.4	1,733.6	1,565.5
Profit after tax	180.3	337.6	1,526.0	1,368.7
Unrestricted cash <sup>3</sup>	516.1	919.2	1,123.5	
Borrowings	-1,784.5	-1,681.0	-2,227.5	
Net cash/(Net debt) <sup>4</sup>	-1,268.4	-761.7	-1,104.0	
	SEK	SEK	SEK	SEK
EBITDA <sup>1</sup> per share	1.612	2.344	10.358	9.626
Underlying EBITDA <sup>2</sup> per share	1.612	2.354	10.404	9.662
Earnings per share	0.796	1.482	6.721	6.035
Unrestricted cash <sup>3</sup> per share	2.243	3.995	4.882	
Net cash/(Net debt) <sup>4</sup> per share	-5.512	-3.310	-4.797	

	No.	No.	No.	No.
Active customers	1,631,636	1,383,201		
Registered customers (million)	25.6	22.5	24.9	

Currency rate Q1 19 average: 1 GBP = 11.939 SEK, Q1 18 average: 1 GBP = 11.292 SEK, FY 18 average: 1 GBP = 11.596 SEK, 31 March 2019: 1 GBP = 12.115 SEK, 31 March 2018: 1 GBP = 11.755 SEK, 31 December 2018: 1 GBP = 11.464 SEK

The Kindred Group reports in GBP and the SEK figures presented above are for information only and do not necessarily comply with IFRS.

### Definition of Alternative Performance Measures

<sup>1</sup> EBITDA = Profit from operations before depreciation & amortisation.

<sup>2</sup> Underlying EBITDA = EBITDA less management incentive costs relating to acquisitions.

<sup>3</sup> Unrestricted cash = Total cash at period end less customer balances.

<sup>4</sup> Net cash/(Net debt) = Total cash at period end less customer balances and borrowings.

<sup>5</sup> Rolling 12 months consists of 12 months ended 31 March 2019.

Refer to page 14 for the reconciliation of the Group's alternative performance measures to the most directly comparable measures reported in accordance with IFRS.

Certain Q1 2019 figures disclosed above have been impacted by the adoption of IFRS 16 "Leases". Refer to page 5 and 15 for further detail.

### Significant events during the first quarter of 2019

On 1 January 2019, Kindred Group successfully went live under its new local license in Sweden with the brands, Unibet, Maria Casino, iGame, Storspelare and bingo.com.

On 28 January 2019, Kindred Group signed a strategic partnership with Mohegan Sun Pocono in Pennsylvania. The agreement covers an initial five years, with the possibility to extend for two additional five-year terms, giving Kindred the ability to offer online and offline sports betting and online gaming in Pennsylvania. Previously, in August last year, Kindred Group entered into an agreement with Hard Rock Hotel & Casino Atlantic City, in New Jersey. This agreement spans five years with a possible extension of five years and both these agreements are important first steps for Kindred to offer online Sports betting and gaming in the US.

On 8 March 2019, MSCI again rated Kindred Group with its highest ESG rating “AAA”.

### Significant events after the period end

No significant events after the period end

### Market

The Kindred Group is one of Europe’s leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Group offers pre-game and live Sports betting (including horse racing betting), Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group’s core markets are in Europe and Australia, it addresses global markets excluding only territories that it has consistently blocked for legal reasons. The Kindred Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

### Sustainability

For Kindred, a successful business is about future-proofing operations to generate long-term value for shareholders and society. It means continual improvements and taking responsibility for the Group’s operations – and constantly striving for change for the better. It is about delivering sustainable growth and shared values for the customers, shareholders and the local communities around us. To achieve this, Kindred need to collaborate, utilise important research findings and integrate these into its tools and products. This is the only way for the Group to create the best experience for the customers, to inspire peers and partners, to steer the development in the right direction and create a more sustainable gambling industry. Driving sustainable and long-term growth is central to Kindred’s purpose to transform gambling and ensure fair play, the best deal and a great experience for the players. Kindred is committed to reducing the revenue derived from harmful gambling to zero by 2023 and working with key stakeholders in society to achieve the five ambitions set out in the Group’s sustainability framework:

- *Zero per cent gross winnings revenue derived from harmful gambling.*
- *Always behave with integrity and fairness in everything we do to gain trust by our customers, the regulators and society as a whole.*
- *Ensure that our operations always continue to meet the highest professional, compliance and ethical standards.*
- *Become one of the world’s highest-ranked companies within employee engagement.*
- *Equip the communities in which we operate with the knowledge and resources to build a better future.*

Read more about these ambitions in the Kindred Group 2018 Sustainability Report, copies of which are available on our corporate website, [www.kindredgroup.com](http://www.kindredgroup.com).

## Current products

### Sports betting

The Kindred Group's pre-game Sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile devices.

The Group offered 47,934 live betting events in the first quarter of 2019 and streamed 29,990 events on desktop and mobile devices.

The majority of the Kindred Group's business is determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely, due to the volatility of Gross winnings margins in sports betting. Please also refer to page 6 for more information about the margin.

### Casino & Games

The Kindred Group's casino product covers a wide range of suppliers and a diverse content library. Focus during the quarter has been to strengthen the internal bonus tool, roll out more detailed game information to the customers and continue to deliver more exclusive games.

### Poker

The Kindred Group's poker product is one of the fastest growing licensed poker networks in the industry. The previous quarter's launch of the new HexaPro poker format has performed very well and the response from customers has been positive. In this quarter, Kindred prepared for the migration of the poker product in France and since early April the same supplier is now used in all of Kindred's markets where poker is offered. In addition, Kindred again hosted the Unibet Open, this time in Sinaia in Romania, and the event attracted more than 1,500 entries.

### Bingo

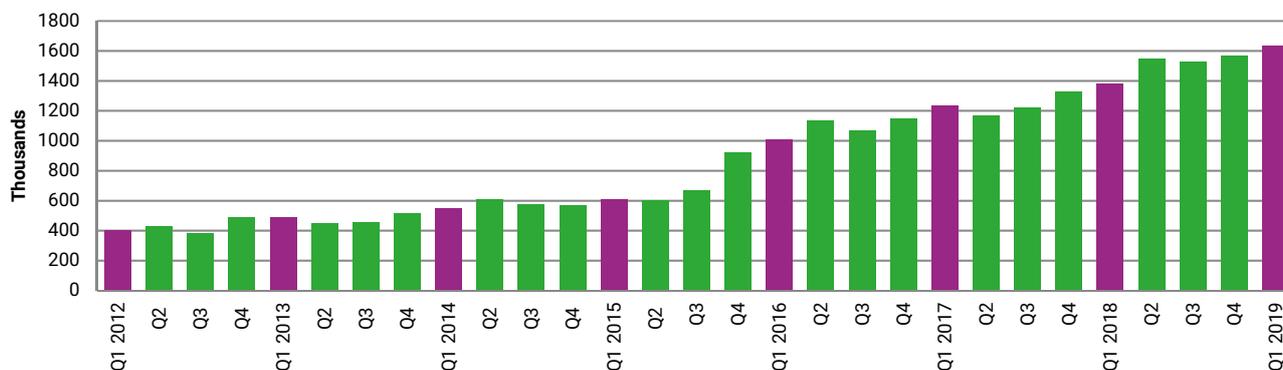
The Kindred Group's bingo product offers several different bingo rooms and game types, including big jackpots and a wide range of mini games. During the quarter effort has gone into strengthening the capabilities of the bingo tournament tool as well adding more unique mini games to the product offering.

## Customers

The total number of registered customers has continued to increase and amounted to over 25.6 (22.5) million at 31 March 2019, whilst at 31 December 2018, over 24.9 million customers were registered.

For the first quarter of 2019 the number of active customers amounted to 1,631,636 (1,383,201), compared with 1,568,574 for the fourth quarter of 2018. An active customer is defined as one placing a bet in the last three months.

**Active Customers**



## Financial review

The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2018, except for IFRS 16 which the Group has applied for the first time in the year commencing 1 January 2019.

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

### New standard effective from 1 January 2019

Kindred Group plc has adopted IFRS 16, "Leases", from its mandatory date of 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.36% as at 1 January 2019. Right-of-use assets were measured at the amount equal to the lease liability (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018).

Please refer to page 15 for a reconciliation of operating lease commitments disclosed as at 31 December 2018 to the lease liabilities recognised as at 1 January 2019 and a breakdown of right-of-use assets recognised.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the accounting for operating leases with remaining lease term of less than 12 months as at 1 January 2019 as short-term leases being expensed directly through the consolidated income statement
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The change in accounting policy affected the following items in the balance sheet as at 1 January 2019:

- right-of-use assets – increase by GBP 75.6 million
- prepayments – decrease by GBP 0.6 million
- lease liabilities – increase by GBP 75.0 million

The net impact on retained earnings as at 1 January 2019 was an increase of GBP 2.1 million. This is disclosed on the face of the consolidated statement of changes in equity on page 13.

### Gross winnings revenue

Gross winnings revenue on Sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets granted. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for Sports betting amounted to GBP 106.5 (94.7) million for the first quarter of 2019.

In the first quarter of 2019, live betting accounted for 57.8 (60.1) per cent of turnover on Sports betting and 49.7 (50.1) per cent of Gross winnings revenue on Sports betting.

Gross winnings revenue for other products amounted to GBP 117.9 (113.1) million for the first quarter of 2019.

Please refer to pages 16 and 17 for more information on Gross winnings revenue per region and products.

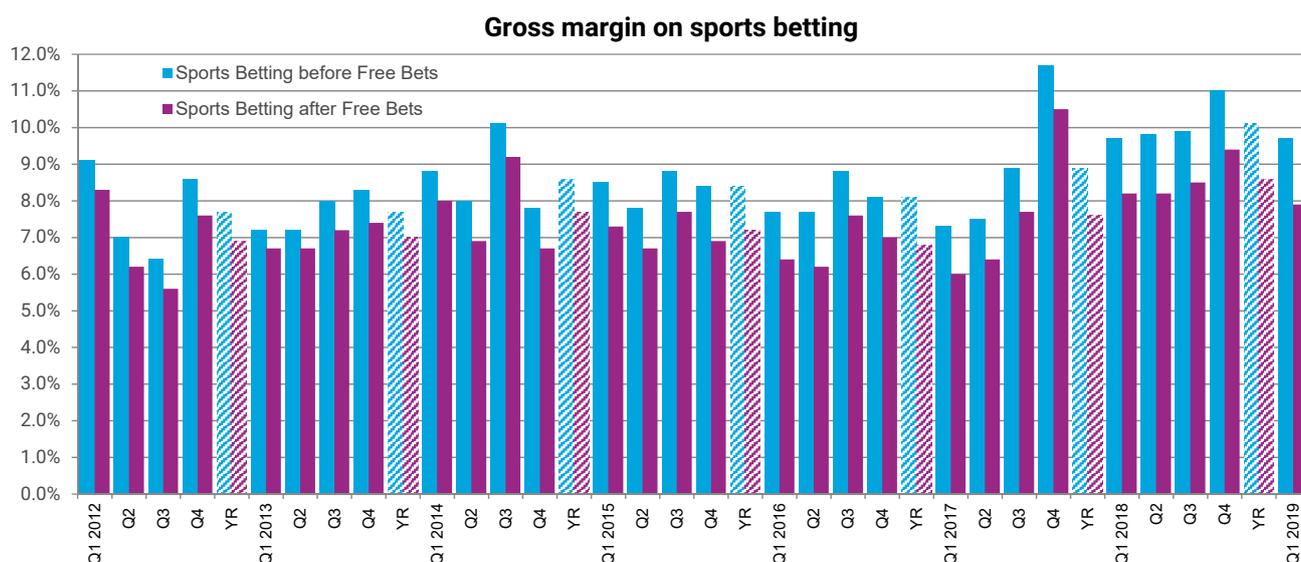
### Gross margin on Sports betting

The gross margin for pre-game Sports betting before Free Bets for the first quarter of 2019 was 11.5 (12.1) per cent.

The gross margin for total Sports betting for the first quarter of 2019 before Free Bets was 9.7 (9.7) per cent. The gross margin for total Sports betting for the first quarter of 2019 after Free Bets was 7.9 (8.2) per cent.

Please refer to page 17 for more information on Sports betting margins.

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 below. The bars show total Sports betting gross margin by quarter and full year.



### Cost of sales

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the first quarter of 2019, betting duties were GBP 52.2 (36.8) million and marketing revenue share amounted to GBP 13.3 (11.3) million.

### Gross profit

Gross profit for the first quarter of 2019 was GBP 120.3 (125.1) million.

### Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the first quarter of 2019, operating costs were GBP 103.7 (84.4) million. Of these operating costs, GBP 53.6 (41.5) million were marketing costs and GBP 23.3 (20.1) million were salaries.

**FX rates**

The net foreign exchange impact of the Kindred Group's main trading currencies against its reporting currency of GBP is shown in the tables below.

**Balance sheet rates:**

Rate to GBP	31-Mar-19	31-Mar-18	YoY Delta
SEK	12.115	11.755	-3.1%
NOK	11.254	11.061	-1.7%
EUR	1.165	1.143	-1.9%
DKK	8.698	8.519	-2.1%
AUD	1.843	1.833	-0.5%

**Income statement averages for the quarter:**

Rate to GBP	Avg Q1 19	Avg Q1 18	YoY Delta
SEK	11.939	11.292	-5.7%
NOK	11.167	10.911	-2.3%
EUR	1.146	1.132	-1.2%
DKK	8.553	8.431	-1.4%
AUD	1.828	1.770	-3.3%

**EBITDA and Profit from operations**

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the first quarter of 2019 was GBP 30.6 (47.3) million.

Underlying EBITDA for the first quarter of 2019 was GBP 30.6 (47.5) million.

Profit from operations for the first quarter of 2019 was GBP 18.4 (35.7) million.

From 1 January 2019, as a result of the adoption of IFRS 16, rental costs are no longer recognised in the consolidated income statement and therefore not included in any of the above metrics. Profit from operations instead includes an additional depreciation charge of GBP 1.8 million. As the Group has applied the simplified transition approach, comparatives have not been restated. Please refer to page 15 where comparatives have been recalculated, where possible, as though they were measured under IFRS 16 to allow greater comparability.

**Items affecting comparability**

Amortisation of intangible assets that arose on acquisition is the charge for assets that have arisen under IFRS 3 Business Combinations over their useful economic life and is included as part of the Group's total amortisation charge.

**Finance costs/income**

Net finance costs for the first quarter of 2019 were GBP 1.3 (1.1) million. This includes a new interest cost of GBP 0.2 million arising on the lease liabilities recognised as a result of the adoption of IFRS 16.

**Profit before tax**

Profit before tax for the first quarter of 2019 was GBP 17.7 (33.6) million.

**Profit after tax**

Profit after tax for the first quarter of 2019 was GBP 15.1 (29.9) million.

**Development and acquisition costs of intangible assets**

In the first quarter of 2019 intangible assets of GBP 12.4 (5.7) million have been capitalised. Intangible assets comprise development costs, computer software and licences. Capitalised development costs during 2019 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

### Financial position and cash flow

Cash and cash equivalents at the end of the first quarter of 2019 stood at GBP 112.6 (137.2) million while at the beginning of the quarter it was GBP 160.3 (159.1) million.

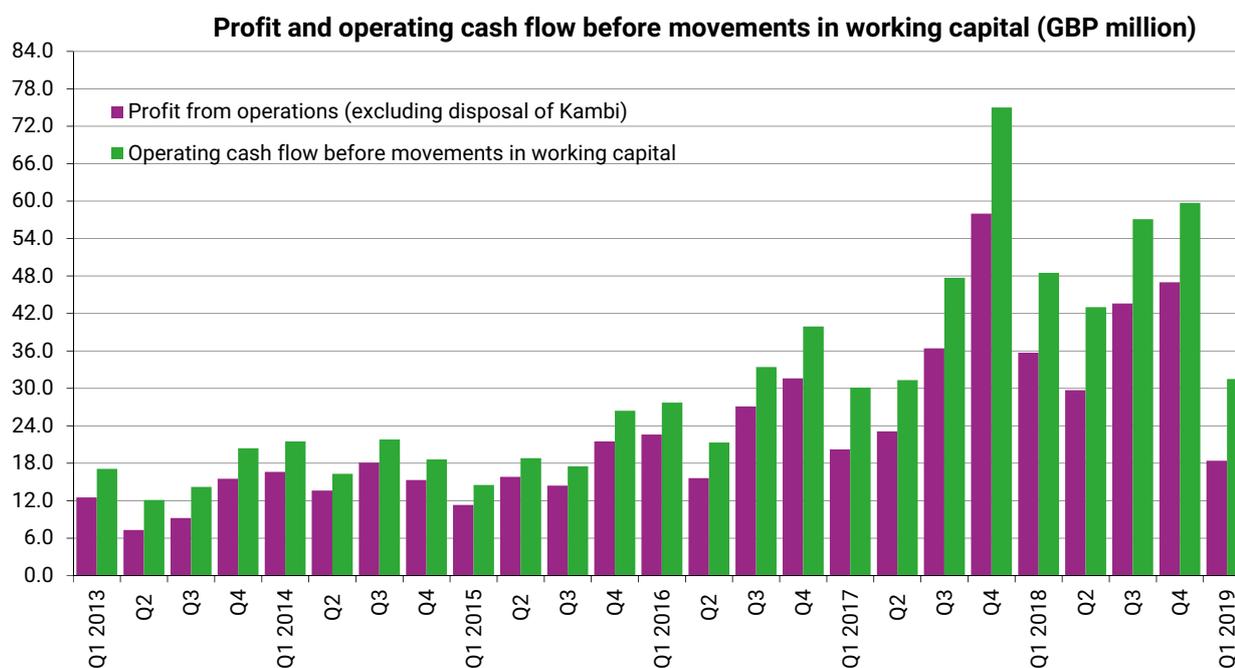
The net cash outflow for the first quarter of 2019 was GBP 42.7 (19.7) million mainly related to the repayment of GBP 44.2 (52.6) million of borrowings.

As at 31 March 2019, GBP 147.3 (143.0) million of the term and revolving facilities was utilised out of a total of GBP 220.5 (247.0) million. For further information on the term and revolving facilities, please refer to page 80 of the 2018 Annual Report. Net debt/EBITDA (rolling 12-month basis) for the first quarter of 2019 was -0.568 (-0.327).

In the first quarter of 2019, GBP 31.5 (48.5) million was generated from operating activities before movements in working capital.

From 1 January 2019, as a result of the adoption of IFRS 16, rental costs are no longer recognised in the consolidated income statement and therefore not included in operating cash flows before movements in working capital. Please refer to page 15 where comparatives have been recalculated as though they were measured under IFRS 16 to allow greater comparability.

The quarterly profit from operations and operating cash flow before movements in working capital is shown in the graph below.



### Employees

The Kindred Group had 1,550 (1,353) employees at 31 March 2019, compared with 1,465 employees at 31 December 2018.

### Share based incentive programme

On 2 January 2019, 1,015 share awards from the All Employee Share Plan vested, using 1,015 SDRs from the Kindred Group's share purchase programme.

Following the vesting of these awards, 3,533,120 SDRs from the share purchase programmes continue to be held by Kindred Group. The total amount of issued shares in Kindred Group plc is 230,126,200 ordinary shares with a par value of GBP 0.000625.

## Principal risks

The Kindred Group manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 26 to 29 and pages 43 to 45 of the Annual Report for the year ended 31 December 2018 available from [www.kindredgroup.com](http://www.kindredgroup.com). There have been no other significant changes in any risks identified since the prior year end.

## Forthcoming financial reporting timetable

Interim Report January – June 2019	24 July 2019
Interim Report January – September 2019	25 October 2019
Full Year Report 2019	12 February 2020

The Board of Directors and the CEO certify that the interim report gives a fair reflection of the Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Group.

Malta, 24 April 2019

Henrik Tjärnström  
CEO

### For further information please contact:

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*This report is unaudited.*

*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.*

Kindred Group plc

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

Registered in Malta. Company number C 39017

CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q1 2019	Unaudited Q1 2018	Audited Full Year 2018
<b>Continuing operations:</b>			
<b>Gross winnings revenue</b>	<b>224.4</b>	207.8	907.6
Betting duties	-52.2	-36.8	-158.7
Marketing revenue share	-13.3	-11.3	-50.0
Other cost of sales	-38.6	-34.6	-146.7
<b>Cost of sales</b>	<b>-104.1</b>	<b>-82.7</b>	<b>-355.4</b>
<b>Gross profit</b>	<b>120.3</b>	<b>125.1</b>	<b>552.2</b>
Marketing costs	-53.6	-41.5	-189.0
Administrative expenses	-50.0	-42.8	-189.1
<b>Underlying profit before items affecting comparability:</b>	<b>16.7</b>	<b>40.8</b>	<b>174.1</b>
Management incentive costs relating to acquisitions	-0.0	-0.2	-0.9
Accelerated amortisation of acquired intangible assets	-	-1.6	-4.7
Amortisation of intangible assets that arose on acquisition	-1.5	-3.1	-11.3
Foreign currency gain/(loss) on operating items	3.2	-0.2	-1.2
<b>Profit from operations</b>	<b>18.4</b>	<b>35.7</b>	<b>156.0</b>
Finance costs	-1.4	-1.2	-4.6
Finance income	0.1	0.1	0.4
Foreign currency gain/(loss) on loan	0.5	-1.0	-2.0
Share of profit/(loss) from associates	0.1	-0.0	-0.3
<b>Profit before tax</b>	<b>17.7</b>	<b>33.6</b>	<b>149.5</b>
Income tax expense	-2.6	-3.7	-17.9
<b>Profit after tax</b>	<b>15.1</b>	<b>29.9</b>	<b>131.6</b>
Earnings per share (GBP)	<b>0.067</b>	0.131	0.580
Weighted average number of outstanding shares	<b>226,593,057</b>	227,832,635	227,043,853
Fully diluted earnings per share (GBP)	<b>0.066</b>	0.131	0.576
Weighted average number of fully diluted outstanding shares	<b>228,086,805</b>	228,873,090	228,348,308
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> GBP 'm	<b>Unaudited Q1 2019</b>	<b>Unaudited Q1 2018</b>	<b>Audited Full Year 2018</b>
<b>Profit for the period</b>	<b>15.1</b>	29.9	131.6
<b>Other comprehensive income</b>			
Currency translation adjustments taken to equity	-10.1	-5.5	-2.0
<b>Total comprehensive income for the period</b>	<b>5.0</b>	<b>24.4</b>	<b>129.6</b>

CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 31 Mar 2019	Unaudited 31 Mar 2018	Audited 31 Dec 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	278.3	275.7	282.7
Other intangible assets	155.3	158.0	151.8
Investment in associates	2.0	2.1	1.9
Property, plant and equipment	38.3	28.5	37.4
Property, plant and equipment - right-of-use assets	72.1	-	-
Deferred tax assets	15.7	13.0	15.8
Convertible bond	6.6	6.8	6.8
Other non-current assets	3.5	1.6	3.2
	<b>571.8</b>	<b>485.7</b>	<b>499.6</b>
<b>Current assets</b>			
Trade and other receivables	56.3	40.9	52.9
Taxation recoverable	43.0	37.9	43.0
Cash and cash equivalents	112.6	137.2	160.3
	<b>211.9</b>	<b>216.0</b>	<b>256.2</b>
<b>Total assets</b>	<b>783.7</b>	<b>701.7</b>	<b>755.8</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	6.5	13.1	16.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	254.8	272.0	236.7
<b>Total equity</b>	<b>300.0</b>	<b>323.8</b>	<b>292.0</b>
<b>Non-current liabilities</b>			
Borrowings	15.7	113.0	149.3
Lease liabilities	60.6	-	-
Deferred tax liabilities	4.4	5.7	4.3
	<b>80.7</b>	<b>118.7</b>	<b>153.6</b>
<b>Current liabilities</b>			
Borrowings	131.6	30.0	45.0
Lease liabilities	10.0	-	-
Trade and other payables	119.6	108.2	131.0
Customer balances	70.0	59.0	62.3
Deferred income	5.9	5.8	5.4
Tax liabilities	65.9	56.2	66.5
	<b>403.0</b>	<b>259.2</b>	<b>310.2</b>
<b>Total liabilities</b>	<b>483.7</b>	<b>377.9</b>	<b>463.8</b>
<b>Total equity and liabilities</b>	<b>783.7</b>	<b>701.7</b>	<b>755.8</b>

CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q1 2019	Unaudited Q1 2018	Audited Full Year 2018
<b>Operating activities</b>			
Profit from operations	18.4	35.7	156.0
Adjustments for:			
Depreciation of property, plant and equipment	3.6	2.7	13.0
Depreciation of property, plant and equipment - right-of-use assets	1.8	-	-
Amortisation of intangible assets	6.8	8.9	33.8
Loss on disposal of intangible assets	-	-	0.3
Loss on disposal of property, plant & equipment	0.0	-	0.5
FX gain on dividend	-	-	0.3
Share-based payments	0.4	0.5	2.2
Equity settled employee benefit plan	0.5	0.7	2.2
<b>Operating cash flows before movements in working capital</b>	<b>31.5</b>	<b>48.5</b>	<b>208.3</b>
Increase in trade and other receivables	-4.5	-2.6	-15.8
Increase in trade and other payables, including customer balances	0.5	2.1	21.4
<b>Cash flows from operating activities</b>	<b>27.5</b>	<b>48.0</b>	<b>213.9</b>
Net income taxes paid	-3.5	-2.1	-15.0
<b>Net cash generated from operating activities</b>	<b>24.0</b>	<b>45.9</b>	<b>198.9</b>
<b>Investing activities</b>			
Interest received	0.0	0.0	0.2
Interest paid	-1.7	-0.5	-3.7
Interest paid on lease liabilities	-0.2	-	-
Purchases of other non-current assets	-	-	-1.8
Purchases of property, plant and equipment	-5.6	-6.8	-26.0
Development and acquisition costs of intangible assets	-12.4	-5.7	-23.5
<b>Net cash used in investing activities</b>	<b>-19.9</b>	<b>-13.0</b>	<b>-54.8</b>
<b>Financing activities</b>			
Repayment of lease liabilities	-2.6	-	-
Dividend paid	-	-	-125.6
Treasury share purchase	-	-	-14.6
Proceeds from borrowings	-	-	112.0
Repayment of borrowings	-44.2	-52.6	-115.5
<b>Net cash used in from financing activities</b>	<b>-46.8</b>	<b>-52.6</b>	<b>-143.7</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-42.7</b>	<b>-19.7</b>	<b>0.4</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>160.3</b>	<b>159.1</b>	<b>159.1</b>
Effect of foreign exchange rate changes	-5.0	-2.2	0.8
<b>Cash and cash equivalents at end of period</b>	<b>112.6</b>	<b>137.2</b>	<b>160.3</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q1 2019	Unaudited Q1 2018	Audited Full Year 2018
<b>Opening balance at beginning of period</b>	<b>292.0</b>	298.2	298.2
Adjustment on adoption of IFRS 16	2.1	-	-
<b>Restated opening balance at beginning of period</b>	<b>294.1</b>	<b>298.2</b>	<b>298.2</b>
<b>Comprehensive income</b>			
Profit for the period	15.1	29.9	131.6
Other comprehensive income:			
Translation adjustment	-10.1	-5.5	-2.0
	<b>5.0</b>	<b>24.4</b>	<b>129.6</b>
<b>Transactions with owners</b>			
Share awards - value of employee services	0.4	0.5	0.7
Treasury share purchase	-	-	-14.6
Equity settled employee benefit plan	0.5	0.5	1.9
Disposal of treasury shares	0.0	0.2	1.8
Dividend paid	-	-	-125.6
	<b>0.9</b>	<b>1.2</b>	<b>-135.8</b>
<b>Closing balance at end of period</b>	<b>300.0</b>	<b>323.8</b>	<b>292.0</b>

## KEY RATIOS

This table is for information only and does not form part of the condensed financial statements.

	Unaudited Q1 2019	Unaudited Q1 2018	Audited Full Year 2018
Operating margin (Profit from operations/gross winnings revenue for the period)	8%	17%	17%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	2%	4%	18%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	25%	46%	53%
Equity:assets ratio	38%	46%	39%
EBITDA margin	14%	23%	22%
Unrestricted cash/EBITDA (rolling 12-month basis)	0.229	0.395	0.483
Net debt/EBITDA (rolling 12-month basis)	-0.563	-0.327	-0.475
Employees at period end	1,550	1,353	1,465
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.489	0.596	0.697
Net debt per share (GBP) (total cash at period end less customer balances and borrowings/number of shares at end of period)	-0.455	-0.282	-0.418
Operating cash flow before movements in working capital per share (GBP)	0.139	0.213	0.917
Earnings per share (GBP)	0.067	0.131	0.580
Fully diluted earnings per share (GBP)	0.066	0.131	0.576
Number of shares at period end <sup>1</sup>	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	231,628,289	231,154,034	231,434,971
Weighted average number of outstanding shares	226,593,057	227,832,635	227,043,853
Weighted average number of fully diluted outstanding shares	228,086,805	228,873,090	228,348,308

<sup>1</sup> As at 31 March 2019 the total issued shares was 230,126,200. Of these 3,533,120 shares are held by the Group as a result of previous repurchase programmes. The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under share option programmes.

**ALTERNATIVE PERFORMANCE MEASURES**

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

The following tables show the reconciliation of the Group's alternative performance measures to the most directly comparable measures reported in accordance with IFRS.

<b>CONSOLIDATED INCOME STATEMENT MEASURES</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>GBP 'm</b>	<b>Q1</b>	<b>Q1</b>	<b>Full Year</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>
<b>Continuing operations:</b>			
<b>Profit from operations</b>	<b>18.4</b>	<b>35.7</b>	<b>156.0</b>
Depreciation of property, plant and equipment	3.6	2.7	13.0
Depreciation of property, plant and equipment - right-of-use assets	1.8	-	-
Amortisation of intangible assets	6.8	8.9	33.8
<b>EBITDA</b>	<b>30.6</b>	<b>47.3</b>	<b>202.8</b>
Management incentive costs relating to acquisitions	0.0	0.2	0.9
<b>Underlying EBITDA</b>	<b>30.6</b>	<b>47.5</b>	<b>203.7</b>
Gross winnings revenue	224.4	207.8	907.6
<b>EBITDA margin</b>	<b>14%</b>	<b>23%</b>	<b>22%</b>

<b>CONSOLIDATED BALANCE SHEET MEASURES</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>GBP 'm</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>
<b>Cash and cash equivalents</b>	<b>112.6</b>	<b>137.2</b>	<b>160.3</b>
Less: customer balances	-70.0	-59.0	-62.3
<b>Unrestricted cash</b>	<b>42.6</b>	<b>78.2</b>	<b>98.0</b>
Less: borrowings	-147.3	-143.0	-194.3
<b>Net debt</b>	<b>-104.7</b>	<b>-64.8</b>	<b>-96.3</b>

**ADOPTION OF IFRS 16**

The below table reconciles operating lease commitments disclosed as at 31 December 2018 to the lease liability recognised as at 1 January 2019.

GBP 'm	Unaudited 2019
Operating lease commitments disclosed as at 31 December 2018	83.8
Less: short-term leases recognised on a straight line basis as an expense	-0.4
<b>Operating lease commitments in the scope of IFRS 16</b>	<b>83.4</b>
Discounted using the Group's incremental borrowing rate as at the date of initial application	75.0
<b>Lease liabilities recognised as at 1 January 2019</b>	<b>75.0</b>
Of which are:	
Current lease liabilities	10.7
Non-current lease liabilities	64.3

The below table shows the right-of-use assets and corresponding lease liabilities recognised as at 1 January 2019 and as at 31 March 2019. All recognised right-of-use assets relate to the Group's premises.

GBP 'm	Unaudited 31 Mar 2019	Unaudited 01 Jan 2019
<b>Right-of-use assets - premises</b>	<b>72.1</b>	<b>75.6</b>
<b>Lease liabilities:</b>	<b>70.6</b>	<b>75.0</b>
Of which are:		
Current lease liabilities	10.0	10.7
Non-current lease liabilities	60.6	64.3

The below table recalculates comparatives of some of the Group's key metrics as though they were measured under IFRS 16.

GBP 'm	Unaudited Q1 2018	Audited Full Year 2018
<b>EBITDA as previously disclosed</b>	<b>47.3</b>	<b>202.8</b>
Add back rental costs previously recognised under IAS 17	1.0	4.6
<b>EBITDA recalculated under IFRS 16</b>	<b>48.3</b>	<b>207.4</b>
<b>EBITDA margin as previously disclosed</b>	<b>23%</b>	<b>22%</b>
<b>EBITDA margin recalculated under IFRS 16</b>	<b>23%</b>	<b>23%</b>
<b>Underlying EBITDA as previously disclosed</b>	<b>47.5</b>	<b>203.7</b>
Add back rental costs previously recognised under IAS 17	1.0	4.6
<b>Underlying EBITDA recalculated under IFRS 16</b>	<b>48.5</b>	<b>208.3</b>
<b>Operating cash flows before movements in working capital as previously disclosed</b>	<b>48.5</b>	<b>208.3</b>
Add back rental costs previously recognised under IAS 17	1.0	4.6
<b>Operating cash flows before movements in working capital recalculated under IFRS 16</b>	<b>49.5</b>	<b>212.9</b>

## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

This table is for information only and does not form part of the condensed financial statements.

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

SPORTS BETTING BY REGION	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2018 FY	2017 FY
<b>Gross winnings revenue</b>							
Nordics	19.1	31.2	29.7	25.7	25.3	111.9	103.0
Western Europe	76.0	82.2	70.4	68.3	59.8	280.7	206.3
Central, Eastern and Southern Europe	8.3	8.7	9.5	7.9	8.0	34.1	26.0
Other	3.1	2.8	1.5	3.0	1.6	8.9	11.2
<b>Total</b>	<b>106.5</b>	<b>124.9</b>	<b>111.1</b>	<b>104.9</b>	<b>94.7</b>	<b>435.6</b>	<b>346.5</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>							
Nordics	-25%	-9%	12%	26%	17%	9%	28%
Western Europe	27%	10%	42%	52%	62%	36%	51%
Central, Eastern and Southern Europe	4%	1%	46%	34%	60%	31%	35%
Other	94%	-15%	-50%	43%	-43%	-21%	19%
<b>Total</b>	<b>12%</b>	<b>3%</b>	<b>30%</b>	<b>43%</b>	<b>-43%</b>	<b>26%</b>	<b>41%</b>
<b>OTHER PRODUCTS - CASINO, POKER, &amp; OTHER GAMES BY REGION</b>							
<b>Gross winnings revenue</b>							
Nordics	42.8	48.3	49.3	48.3	48.7	194.6	194.0
Western Europe	63.4	65.5	60.0	55.1	55.0	235.6	178.7
Central, Eastern and Southern Europe	10.0	10.3	8.2	8.1	7.5	34.1	25.1
Other	1.7	1.1	2.1	2.6	1.9	7.7	7.1
<b>Total</b>	<b>117.9</b>	<b>125.2</b>	<b>119.6</b>	<b>114.1</b>	<b>113.1</b>	<b>472.0</b>	<b>404.9</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>							
Nordics	-12%	-2%	-1%	2%	2%	0%	22%
Western Europe	15%	17%	17%	41%	69%	32%	62%
Central, Eastern and Southern Europe	33%	36%	41%	45%	23%	36%	-5%
Other	-11%	-73%	75%	86%	280%	8%	173%
<b>Total</b>	<b>4%</b>	<b>7%</b>	<b>11%</b>	<b>22%</b>	<b>30%</b>	<b>17%</b>	<b>36%</b>
<b>TOTAL BY REGION</b>							
<b>Gross winnings revenue</b>							
Nordics	61.9	79.5	79.0	74.0	74.0	306.5	297.0
Western Europe	139.4	147.7	130.4	123.4	114.8	516.3	385.0
Central, Eastern and Southern Europe	18.3	19.0	17.7	16.0	15.5	68.2	51.1
Other	4.8	3.9	3.6	5.6	3.5	16.6	18.3
<b>Total</b>	<b>224.4</b>	<b>250.1</b>	<b>230.7</b>	<b>219.0</b>	<b>207.8</b>	<b>907.6</b>	<b>751.4</b>
<b>Share of total %</b>							
Nordics	28%	32%	34%	34%	36%	34%	40%
Western Europe	62%	59%	56%	56%	55%	57%	51%
Central, Eastern and Southern Europe	8%	7%	8%	7%	7%	7%	7%
Other	2%	2%	2%	3%	2%	2%	2%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>							
Nordics	-16%	-5%	3%	9%	7%	3%	24%
Western Europe	21%	13%	29%	47%	65%	34%	56%
Central, Eastern and Southern Europe	18%	17%	44%	39%	40%	33%	12%
Other	37%	-47%	-14%	60%	6%	-9%	53%
<b>Total</b>	<b>8%</b>	<b>5%</b>	<b>19%</b>	<b>31%</b>	<b>36%</b>	<b>21%</b>	<b>38%</b>

## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

**Gross winnings revenue by product** (after Free Bets)  
(GBP 'm)

TOTAL BY PRODUCT	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2018 FY	2017 FY
<b>Gross winnings revenue</b>							
Sports Betting	106.5	124.9	111.1	104.9	94.7	435.6	346.5
Casino & Games	106.7	114.7	109.9	104.0	103.2	431.8	367.3
Poker	5.7	4.9	4.4	4.0	4.6	17.9	15.2
Other	5.5	5.6	5.3	6.1	5.3	22.3	22.4
<b>Total</b>	<b>224.4</b>	<b>250.1</b>	<b>230.7</b>	<b>219.0</b>	<b>207.8</b>	<b>907.6</b>	<b>751.4</b>
<b>Share of total %</b>							
Sports Betting	47%	50%	48%	48%	46%	48%	46%
Casino & Games	48%	46%	48%	47%	50%	48%	49%
Poker	3%	2%	2%	2%	2%	2%	2%
Other	2%	2%	2%	3%	2%	2%	3%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>							
Sports Betting	12%	3%	30%	43%	43%	26%	41%
Casino & Games	3%	8%	11%	23%	33%	18%	36%
Poker	24%	7%	47%	3%	24%	18%	22%
Other	4%	-5%	-5%	17%	-7%	0%	34%

**Sports Betting gross margins**  
(GBP 'm)

	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2018 FY	2017 FY
<b>Sports Betting Stakes</b>	<b>1,340.8</b>	<b>1,329.4</b>	<b>1,314.4</b>	<b>1,271.6</b>	<b>1,148.9</b>	<b>5,064.3</b>	<b>4,542.1</b>
<i>Sports Betting Gross winnings revenue:</i>							
<b>Live Betting</b>	<b>64.5</b>	<b>64.6</b>	<b>72.0</b>	<b>58.2</b>	<b>55.7</b>	<b>250.5</b>	<b>197.2</b>
<i>Live Betting margin</i>	8.3%	8.4%	8.6%	7.8%	8.1%	8.2%	7.2%
<i>Live Betting share</i>	49.7%	44.4%	55.2%	46.5%	50.1%	48.9%	48.9%
<b>Pre-game Betting</b>	<b>65.2</b>	<b>81.0</b>	<b>58.5</b>	<b>66.9</b>	<b>55.5</b>	<b>261.9</b>	<b>205.9</b>
<i>Pre-game Betting margin</i>	11.5%	14.4%	13.3%	13.2%	12.1%	12.9%	11.5%
<i>Pre-game Betting share</i>	50.3%	55.6%	44.8%	53.5%	49.9%	51.1%	51.1%
<b>Total before Free Bets</b>	<b>129.7</b>	<b>145.6</b>	<b>130.5</b>	<b>125.1</b>	<b>111.2</b>	<b>512.4</b>	<b>403.1</b>
<i>Sports Betting margin (before FB)</i>	9.7%	11.0%	9.9%	9.8%	9.7%	10.1%	8.9%
Free Bets	-23.2	-20.7	-19.4	-20.2	-16.5	-76.8	-56.6
<b>Total after Free Bets</b>	<b>106.5</b>	<b>124.9</b>	<b>111.1</b>	<b>104.9</b>	<b>94.7</b>	<b>435.6</b>	<b>346.5</b>
<i>Sports Betting margin (after FB)</i>	7.9%	9.4%	8.5%	8.2%	8.2%	8.6%	7.6%

**Total margin (all products)**  
(%)

	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2018 FY	2017 FY
<i>Total margin all products* (before FB)</i>	5.0%	5.1%	4.9%	5.0%	4.9%	5.0%	4.8%

\* Includes Sports Betting and Casino & Games, but excludes Poker rakes and Other revenues.