

Kindred Group plc

Interim report January – September 2019 (unaudited)

Third quarter and the period January to September highlights

- **Gross winnings revenue amounted to GBP 226.0 (230.7) million for the third quarter of 2019, and GBP 676.6 (657.5) million for the period January to September 2019.**
- **Underlying EBITDA for the third quarter of 2019 was GBP 37.2 (55.7) million, and GBP 98.3 (144.9) million for the period January to September 2019.**
- **Net cash generated from operating activities for the third quarter of 2019 amounted to GBP 43.4 (39.1) million and GBP 92.0 (136.2) million for the period January to September 2019.**
- **Profit before tax for the third quarter of 2019 amounted to GBP 21.4 (42.0) million, and GBP 53.8 (104.5) million for the period January to September 2019.**
- **Profit after tax for the third quarter of 2019 amounted to GBP 18.1 (36.9) million, and GBP 45.7 (92.3) million for the period January to September 2019.**
- **Earnings per share for the third quarter of 2019 were GBP 0.080 (0.163) and GBP 0.202 (0.406) for the period January to September 2019.**
- **Number of active customers during the third quarter was 1,384,416 (1,530,327).**

“Challenging conditions in key markets remain but strong locally licensed revenue growth of 33 per cent.”

“Similar to what we saw in the first half of 2019, re-regulation in Sweden resulted in difficult market conditions in the third quarter. The current terms and conditions make it challenging to attract customers into the system and can lead to worsening channelisation. This, in combination with a lower than usual sportsbook margin in September, resulted in significantly lower Gross winnings revenue and a GBP 12.8 million decline in EBITDA contribution from Sweden compared to the third quarter in 2018. We also continue to experience headwinds in the Netherlands due to the removal of the iDeal payment solution.”

“Outside of Sweden and the Netherlands, we continued to see strong growth in several other markets, including the UK and France. Locally licensed revenue growth was particularly strong with 33 per cent growth, or 13 per cent growth excluding Sweden, compared to the same period last year. As expected, this resulted in margin pressure from higher betting duties which increased with 26 per cent compared to the same quarter last year. However, this focus will drive more sustainable future profit growth. Locally licensed markets were 57 per cent of overall Gross winnings revenue in the quarter.”

“During the quarter, we launched the Sportsbook product in New Jersey and the Unibet Sportsbook Lounge in Pennsylvania, with the online products to go live in November. This will be a great opportunity to deliver revenue growth and eventually profit in the longer term. Our investments in the USA in the third quarter incurred an EBITDA loss of GBP 1.8 million.”

“For the period 1 October to 23 October 2019, the daily average Gross winnings revenue in GBP was 9 per cent higher (10 per cent in constant currency) than the same period last year and active customers were 2 per cent higher than the equivalent period in 2018,” says Henrik Tjärnström, CEO of Kindred Group”

Today, Friday 25 October 2019, Kindred Group's CEO Henrik Tjärnström will host a presentation in English at Kindred's office at Regeringsgatan 25, in Stockholm at 09.00 CEST.

The presentation is also webcast live on www.kindredgroup.com/Q32019. For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 33 3300 9272 or in the USA: +1 833 823 0586.

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, Estonia, Pennsylvania and New Jersey, 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.

Q3 AND JANUARY TO SEPTEMBER SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q3		Jan - Sep		Full Year	Rolling
	2019 GBP 'm	2018 GBP 'm	2019 GBP 'm	2018 GBP 'm	2018 GBP 'm	12 months ⁵ GBP 'm
Gross winnings revenue	226.0	230.7	676.6	657.5	907.6	926.7
EBITDA ¹	37.1	55.5	98.1	144.3	202.8	156.6
Underlying EBITDA ²	37.2	55.7	98.3	144.9	203.7	157.1
Profit before tax	21.4	42.0	53.8	104.5	149.5	98.8
Profit after tax	18.1	36.9	45.7	92.3	131.6	85.0
Unrestricted cash ³	44.3	74.1	44.3	74.1	98.0	
Borrowings	172.2	223.2	172.2	223.2	194.3	
Net debt ⁴	127.9	149.1	127.9	149.1	96.3	
	GBP	GBP			GBP	GBP
EBITDA ¹ per share	0.162	0.245	0.429	0.635	0.888	0.682
Underlying EBITDA ² per share	0.163	0.246	0.430	0.638	0.892	0.685
Earnings per share	0.080	0.163	0.202	0.406	0.580	0.375
Unrestricted cash ³ per share	0.193	0.322	0.193	0.322	0.426	
Net debt ⁴ per share	0.556	0.648	0.556	0.648	0.418	
	SEK	SEK			SEK	SEK
Gross winnings revenue	2,671.5	2,690.0	8,097.0	7,615.2	10,524.5	11,006.4
EBITDA ¹	438.6	647.1	1,174.0	1,671.3	2,351.7	1,854.4
Underlying EBITDA ²	439.7	649.5	1,176.4	1,678.2	2,362.1	1,860.3
Profit before tax	253.0	489.7	643.8	1,210.3	1,733.6	1,167.1
Profit after tax	214.0	430.3	546.9	1,069.0	1,526.0	1,003.9
Unrestricted cash ³	535.0	860.9	535.0	860.9	1,123.5	
Borrowings	2,079.5	2,593.2	2,079.5	2,593.2	2,227.5	
Net debt ⁴	1,544.5	1,732.3	1,544.5	1,732.3	1,104.0	
	SEK	SEK			SEK	SEK
EBITDA ¹ per share	1.920	2.856	5.139	7.356	10.299	8.082
Underlying EBITDA ² per share	1.925	2.866	5.150	7.387	10.344	8.107
Earnings per share	0.944	1.899	2.414	4.705	6.721	4.430
Unrestricted cash ³ per share	2.325	3.741	2.325	3.741	4.882	
Net debt ⁴ per share	6.712	7.528	6.712	7.528	4.797	
	No.	No.	No.	No.	No.	No.
Active customers	1,384,416	1,530,327				
Registered customers (million)	26.7	23.9	26.7	23.9	24.9	

Currency rate Q3 19 average: 1 GBP = 11.821 SEK, Q3 18 average: 1 GBP = 11.660 SEK, FY 18 average: 1 GBP = 11.596 SEK, 2019 YTD average: 1 GBP = 11.967 SEK, 2018 YTD average: 1 GBP = 11.582 SEK, 30 September 2019: 1 GBP = 12.076 SEK, 30 September 2018: 1 GBP = 11.618 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. Throughout the report where a comparative number is stated in brackets, this relates to the comparative of the period specified.

Definition of Alternative Performance Measures

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Underlying EBITDA = EBITDA less management incentive costs relating to acquisitions.

³ Unrestricted cash = Total cash at period end less customer balances.

⁴ Net debt = Total borrowings less unrestricted cash.

⁵ Rolling 12 months consists of 12 months ended 30 September 2019. Refer to pages 14 and 16 for reconciliation of the Group's alternative performance measures to the most directly comparable measures reported in accordance with IFRS. The Group presents these 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.

Certain 2019 figures disclosed above have been impacted by the adoption of IFRS 16 "Leases". Refer to note 7 on page 20 for further detail.

Significant events during the third quarter of 2019

On 4 July 2019, Kindred Group was awarded the ISO 27001 certification for information security management by testing agency, eCOGRA.

On 23 July 2019, Kindred Group signed a syndicated GBP 280 million three-year multi-currency loan facilities agreement with a group of Nordic banks. The new facilities agreement consists of a bullet term loan facility of GBP 120 million and a GBP 160 million revolving loan facility. The loan proceeds will be used to refinance the amounts outstanding under the company's existing facilities agreement and for the Group's general corporate purposes.

On 19 August 2019, Kindred Group received a fine of EUR 470,000 from the Netherlands Gambling Authority (KSA) for accepting bets from Dutch customers based on the 1964 Gambling Act.

On 10 September 2019, Kindred Group's Unibet brand launched online sportsbook in New Jersey. Unibet is accessible at nj.unibet.com, in App Store and Google Play.

On 26 September 2019, Kindred Group's Unibet brand launched in Pennsylvania with the opening of a Sportsbook lounge in partnership with Mohegan Sun Pocono.

Significant events after the period end

On 8 October 2019, Kindred Group organised the fourth annual Sustainable Gambling Day in Copenhagen with 200 delegates listening to leading academics, researchers, gambling operators, psychologists, regulators and treatment agencies discussing how we can work together to secure a sustainable gambling industry.

Kindred as a sustainable operator

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, Australia and the USA, it addresses global markets excluding 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.

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 which is available on our corporate website, 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 57,834 live betting events in the third quarter of 2019 and streamed 34,367 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 5 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 with exclusive content both on global and local games. The qualifications for the "World Live Casino Championship" started in August with the final taking place in Malta in November.

Poker

The Kindred Group's poker product is one of the fastest growing licensed poker networks in the industry. As always this quarter hosted another successful Unibet Open. This time the live event tour set sail towards Malta where the crowned winner had qualified online with a EUR 5 ticket and won a prize pot of over EUR 71,000. In total 730 players participated and 327 of them played the main event.

Bingo

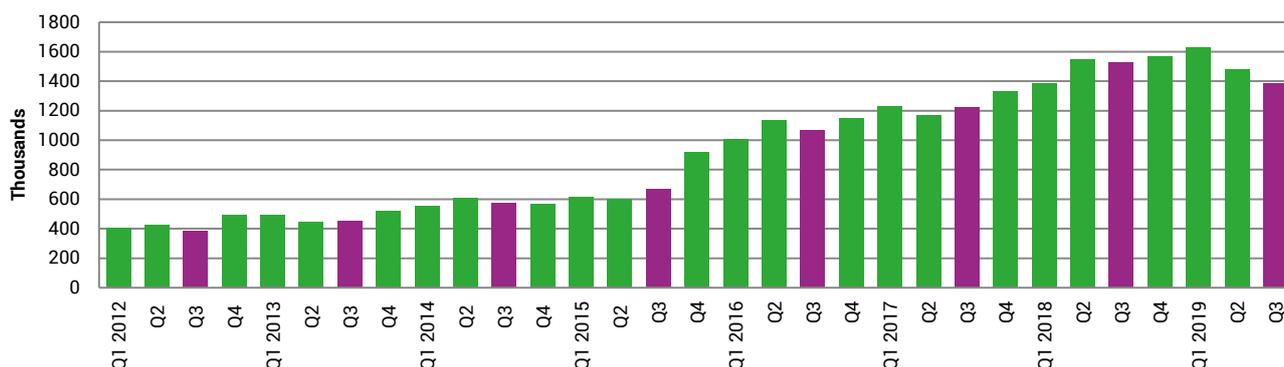
The Kindred Group's bingo product offers several different bingo rooms and game types, including big jackpots and a wide range of mini games. Focus this quarter has been on further product development to be able to launch more interesting games the coming quarters.

Customers

The total number of registered customers has continued to increase and amounted to over 26.7 (23.9) million at 30 September 2019, whilst at 30 June 2019, over 26.2 million customers were registered.

For the third quarter of 2019 the number of active customers amounted to 1,384,416 (1,530,327), compared with 1,478,437 for the second quarter of 2019. 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. For more information on the application of IFRS 16 please refer to note 7 on page 21.

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

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 109.4 (111.1) million for the third quarter of 2019. For the period January to September 2019, Gross winnings revenue for Sports betting amounted to GBP 324.8 (310.7) million.

In the third quarter of 2019, live betting accounted for 57.9 (63.8) per cent of turnover on Sports betting and 49.7 (55.2) per cent of Gross winnings revenue on Sports betting.

Gross winnings revenue for other products amounted to GBP 116.6 (119.6) million for the third quarter of 2019. For the period January to September 2019, Gross winnings revenue for other products amounted to GBP 351.8 (346.8) million.

Please refer to pages 26 and 27 for more information on Gross winnings revenue by region and product.

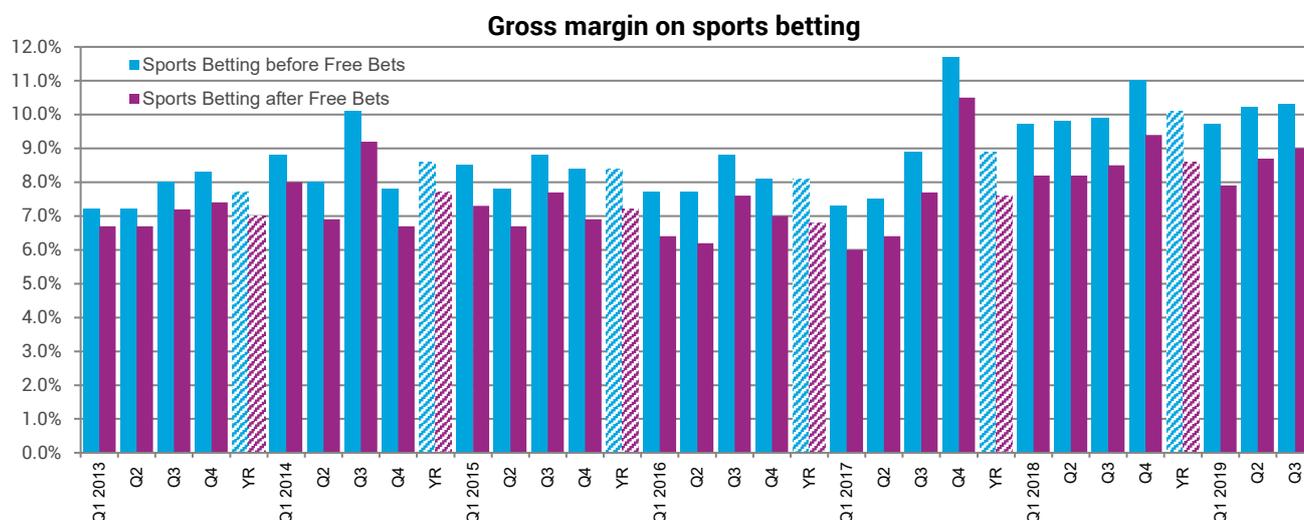
Gross margin on Sports betting

The gross margin for pre-game Sports betting before Free Bets for the third quarter of 2019 was 13.4 (13.3) per cent.

The gross margin for total Sports betting for the third quarter of 2019 before Free Bets was 10.3 (9.9) per cent. The gross margin for total Sports betting for the third quarter of 2019 after Free Bets was 9.0 (8.5) per cent.

Please refer to page 27 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 third quarter of 2019, betting duties were GBP 48.1 (38.2) million and marketing revenue share amounted to GBP 11.6 (12.4) million. Betting duties for the period January to September 2019 were GBP 148.6 (114.2) million and marketing revenue share for the period January to September 2019 amounted to GBP 36.4 (36.0) million.

Gross profit

Gross profit for the third quarter of 2019 was GBP 129.0 (141.6) million. Gross profit for the period January to September 2019 was GBP 378.6 (399.7) 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 third quarter of 2019, operating costs were GBP 106.3 (92.6) million. Of these operating costs, GBP 48.8 (45.0) million were marketing costs and GBP 24.5 (20.9) million were salaries. During the period January to September 2019, operating costs were GBP 318.7 (275.1) million. Of these operating costs, GBP 155.6 (137.8) million were marketing costs and GBP 72.2 (61.4) 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 next page.

Balance sheet rates:

Rate to GBP	30-Sep-19	30-Sep-18	YoY Delta
SEK	12.076	11.618	-3.9%
NOK	11.172	10.669	-4.7%
EUR	1.129	1.127	-0.2%
DKK	8.429	8.403	-0.3%
AUD	1.821	1.809	-0.7%

Income statement averages for the quarter:

Rate to GBP	Avg Q3 19	Avg Q3 18	YoY Delta
SEK	11.821	11.660	-1.4%
NOK	10.917	10.732	-1.7%
EUR	1.109	1.121	1.1%
DKK	8.275	8.355	1.0%
AUD	1.798	1.782	-0.9%

The net foreign exchange impact of the Kindred Group's main trading currencies against its reporting currency of GBP is shown in the table above. While this has no material impact on the underlying development of the Kindred Group's business, it does affect the reported results when translated into GBP.

The weighted average impact of GBP against the Kindred Group's main currencies was a positive impact on Gross winnings revenue of less than 1 per cent in the third quarter of 2019 compared to the same period of 2018.

EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the third quarter of 2019 was GBP 37.1 (55.5) million and for the period January to September 2019, was GBP 98.1 (144.3) million.

Underlying EBITDA for the third quarter of 2019 was GBP 37.2 (55.7) million and for the period January to September 2019, was GBP 98.3 (144.9) million. For more information on how underlying EBITDA is calculated, please see page 14.

Profit from operations for the third quarter of 2019 was GBP 22.7 (43.6) million and for the period January to September 2019, was GBP 57.6 (109.0) million.

From 1 January 2019, as a result of the adoption of IFRS 16, rental costs (GBP 2.8 million for the third quarter of 2019 and GBP 7.3 million for the period January to September 2019) are no longer recognised in the consolidated income statement and are therefore not included in any of the above metrics. Profit from operations instead includes an additional depreciation charge of GBP 2.8 million for the third quarter of 2019 and GBP 7.3 million for the period January to September 2019. As the Group has applied the simplified transition approach, comparatives have not been restated. IFRS 16 adjusted EBITDA comparatives are GBP 56.7 million for the third quarter of 2018 and GBP 147.7 million for the period January to September 2018. Please refer to note 7 on page 21 where comparatives have been recalculated, where possible, as though they were measured under IFRS 16 to allow greater comparability.

Items affecting comparability

Items affecting comparability include, to the extent they are material, management incentive costs relating to acquisitions, amortisation of acquired intangible assets and foreign currency gains and losses on operating items.

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 third quarter of 2019 were GBP 1.8 (1.2) million. Net finance costs for the period January to September 2019 were GBP 4.9 (3.3) million. This includes a new interest cost arising on the lease liabilities recognised as a result of the adoption of IFRS 16 of GBP 0.3 million for the third quarter of 2019 and GBP 0.9 million for the period January to September 2019.

Profit before tax

Profit before tax for the third quarter of 2019 was GBP 21.4 (42.0) million. Profit before tax for the period January to September 2019 was GBP 53.8 (104.5) million. As a result of the adoption of IFRS 16, profit before tax has been impacted by an additional cost of GBP 0.3 million for the third quarter of 2019 and GBP 0.9 million for the period January to September 2019.

Profit after tax

Profit after tax for the third quarter of 2019 was GBP 18.1 (36.9) million. Profit after tax for the period January to September 2019 was GBP 45.7 (92.3) million.

Development and acquisition costs of intangible assets

Intangible assets comprise development costs, computer software and licences. In the third quarter of 2019 intangible assets of GBP 14.5 (5.5) million have been capitalised, bringing the total capitalised for the period January to September 2019 to GBP 34.5 (17.5) million.

During 2019, licence costs for entering the US market (New Jersey and Pennsylvania) have been capitalised, which has driven up the costs of intangible assets. In the third quarter of 2019 US licence costs of GBP 8.7 million have been capitalised, and for the period January to September 2019 this amounts to GBP 14.9 million.

Capitalised development costs during 2019 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Financial position

On 23 July 2019, Kindred Group plc entered into a new syndicated multicurrency facilities agreement with several Nordic banks. The facilities were used to refinance the amounts outstanding under the existing facilities agreement and will be used for the Group's general corporate purposes. The facilities comprise a GBP 120 million bullet term loan and a GBP 160 million revolving loan facility, both repayable at the end of the 3-year facility term on 23 July 2022.

As at 30 September 2019, GBP 172.2 (223.2) million of the facilities was utilised out of a total of GBP 280 (245.6) million. Net debt/EBITDA (rolling 12-month basis) for the third quarter of 2019 was 0.817 (0.684).

Cash and cash equivalents at the end of the third quarter of 2019 stood at GBP 111.6 (137.3) million while at the beginning of the quarter it was GBP 109.2 (127.1) million.

Cash flow

In the third quarter of 2019, GBP 43.4 (39.1) million of cash was generated from operating activities. This variance is predominantly due to a decrease in profit from operations from the third quarter of 2018 of GBP 20.9 million offset by positive movements in working capital of GBP 23.2 million. Working capital movements in the third quarter of 2019 were supported by increases in deferred income (which is the expected trend for the third quarter). In contrast, during the third quarter of 2018 the movement in customer balances and deferred income following the World Cup had a negative effect on working capital movements. Other items impacting the movements in working capital relate to the timing of supplier payments.

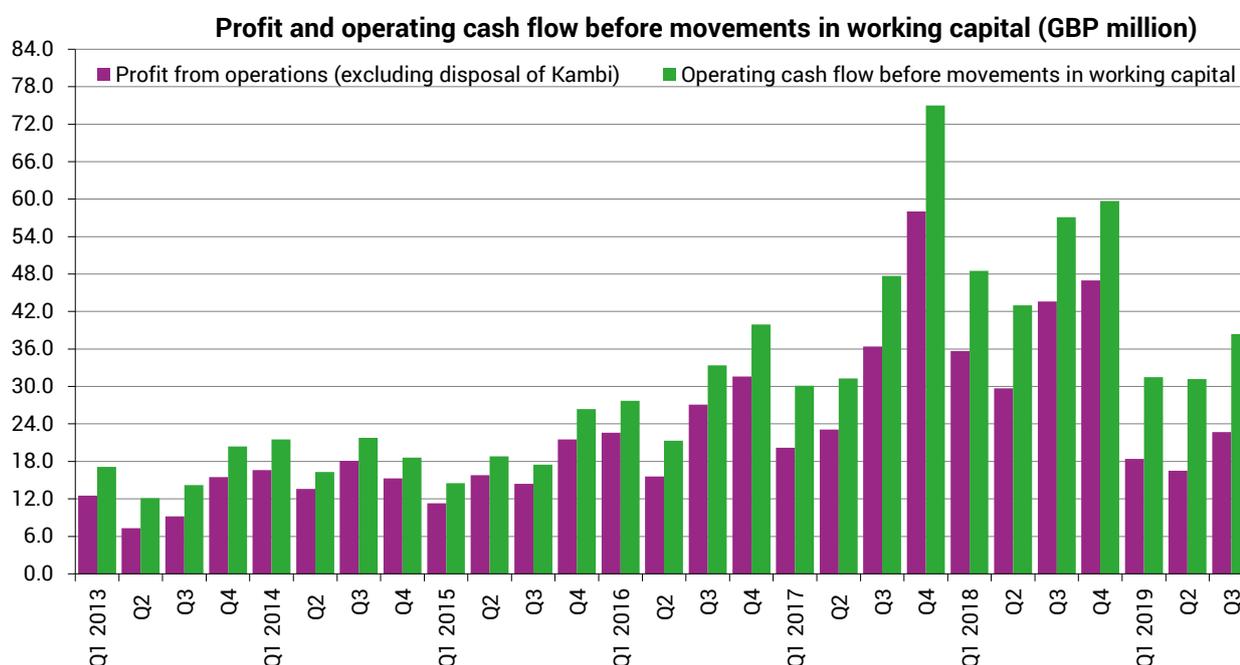
Cash flows from investing activities were GBP 19.1 (11.3) million for the third quarter of 2019. During the quarter gaming licences in the US state of Pennsylvania were paid amounting to GBP 8.7 (nil) million.

Free cash flow for the third quarter of 2019 was GBP 26.8 (28.6) million.

Other significant cash movements during the quarter were the repayment of GBP 18.6 (18.0) million of borrowings. Looking forward, the second instalment of the dividend will also be paid on 21 November 2019.

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 note 7 on page 21 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 1,667 (1,425) employees at 30 September 2019, compared with 1,608 employees at 30 June 2019.

Share based incentive programme

On 30 September 2016, Kindred Group granted new performance share awards to senior managers and key employees. These grants would vest subject to the Group achieving business performance targets over the three financial years 2016 – 2018 and continued employment.

On 1 October 2019 the full value of the 2016 Performance Share Plan grant vested. The assessment of the actual business performance against the target conditions confirmed that all targets over the three financial years 2016 – 2018 have been achieved at greater than 100 per cent. The total number of share awards vested was 306,599, using 306,599 SDRs from the Kindred Group's share buy-back programme.

Performance targets	Target achieved
EBITDA	101%
Gross contribution	102%
Free cash flow per share	103%

Following the vesting of these awards, 3,226,521 SDRs from the share buy-back 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. There have been no other significant changes in any risks identified since the prior year end.

Next AGM and Nomination Committee

The 2020 Annual General Meeting of Kindred Group plc will be held on 12 May 2020 in Stockholm. In view of the scheduled date for publishing the Notice of the Annual General Meeting, proposals have to be received by the Company and the Nomination Committee no later than 2 March 2020 in order to have sufficient time for including them in the Notice and the meeting's agenda.

The Nomination Committee for the 2020 AGM consists of Evert Carlsson, Swedbank Robur Fonder (chairman), Ossian Ekdahl, Första AP-fonden, Jonas Eixmann, Andra AP-fonden, Cecilia Marlow, Nordea Fonder, and Anders Ström, chairman of the Board of Directors. The nomination committee can be contacted at the following address: Kindred Group plc, Level 6, The Centre, Tigne Point, Sliema, TPO 0001 Malta, or by email to: Nomination@kindredgroup.com.

Forthcoming financial reporting timetable

Full Year Report 2019	12 February 2020
Interim Report January – March 2020	24 April 2020
Interim Report January – June 2020	24 July 2020
Interim Report January – September 2020	6 November 2020
Full Year Report 2020	10 February 2021

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, 25 October 2019

Henrik Tjärnström
CEO

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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 in Malta. Company number C 39017

Independent review report to Kindred Group plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Kindred Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim report of Kindred Group plc for the 9 month period ended 30 September 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the requirements of NASDAQ Stockholm.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 September 2019;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the requirements of NASDAQ Stockholm.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim report in accordance with the requirements of NASDAQ Stockholm.

Our responsibility is to express a conclusion on the interim financial statements in the Interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the requirements of NASDAQ Stockholm. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
25 October 2019

- (a) The maintenance and integrity of the Kindred website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in Malta and Sweden governing the dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q3 2019	Unaudited Q3 2018	Unaudited Jan - Sep 2019	Unaudited Jan - Sep 2018	Audited Full Year 2018
Continuing operations:					
Gross winnings revenue	226.0	230.7	676.6	657.5	907.6
Betting duties	-48.1	-38.2	-148.6	-114.2	-158.7
Marketing revenue share	-11.6	-12.4	-36.4	-36.0	-50.0
Other cost of sales	-37.3	-38.5	-113.0	-107.6	-146.7
Cost of sales	-97.0	-89.1	-298.0	-257.8	-355.4
Gross profit	129.0	141.6	378.6	399.7	552.2
Marketing costs	-48.8	-45.0	-155.6	-137.8	-189.0
<i>Salaries</i>	-24.5	-20.9	-72.2	-61.4	-84.0
<i>Other operating expenses</i>	-20.1	-19.0	-54.9	-53.8	-74.3
<i>Depreciation of property, plant and equipment</i>	-3.8	-3.3	-11.2	-9.2	-13.0
<i>Depreciation of property, plant and equipment - right-of-use assets</i>	-2.8	-	-7.3	-	-
<i>Amortisation (excluding on assets arising on acquisition)</i>	-6.3	-4.4	-17.5	-12.9	-17.8
Total administrative expenses	-57.5	-47.6	-163.1	-137.3	-189.1
Underlying profit before items affecting comparability:	22.7	49.0	59.9	124.6	174.1
Management incentive costs relating to acquisitions	-0.1	-0.2	-0.2	-0.6	-0.9
Accelerated amortisation of acquired intangible assets	-	-1.0	-	-3.7	-4.7
Amortisation of intangible assets that arose on acquisition	-1.5	-3.2	-4.5	-9.5	-11.3
Foreign currency gain/(loss) on operating items	1.6	-1.0	2.4	-1.8	-1.2
Profit from operations	22.7	43.6	57.6	109.0	156.0
Finance costs	-1.9	-1.3	-5.2	-3.6	-4.6
Finance income	0.1	0.1	0.3	0.3	0.4
Foreign currency gain/(loss) on loan	0.4	-0.3	0.9	-1.0	-2.0
Share of gain/(loss) from associates	0.1	-0.1	0.2	-0.2	-0.3
Profit before tax	21.4	42.0	53.8	104.5	149.5
Income tax expense	-3.3	-5.1	-8.1	-12.2	-17.9
Profit after tax	18.1	36.9	45.7	92.3	131.6
Earnings per share (GBP)	0.080	0.163	0.202	0.406	0.580
Weighted average number of outstanding shares	226,593,080	226,577,710	226,593,073	227,200,171	227,043,853
Fully diluted earnings per share (GBP)	0.079	0.162	0.200	0.404	0.576
Weighted average number of fully diluted outstanding shares	228,458,040	227,715,143	228,443,890	228,335,798	228,348,308

CONSOLIDATED INCOME STATEMENT MEASURES					
Profit from operations	22.7	43.6	57.6	109.0	156.0
Depreciation of property, plant and equipment	3.8	3.3	11.2	9.2	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.8	-	7.3	-	-
Amortisation of intangible assets	7.8	8.6	22.0	26.1	33.8
EBITDA	37.1	55.5	98.1	144.3	202.8
Management incentive costs relating to acquisitions	0.1	0.2	0.2	0.6	0.9
Underlying EBITDA	37.2	55.7	98.3	144.9	203.7
Gross winnings revenue	226.0	230.7	676.6	657.5	907.6
EBITDA margin	16%	24%	14%	22%	22%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP 'm	Unaudited Q3 2019	Unaudited Q3 2018	Unaudited Jan - Sep 2019	Unaudited Jan - Sep 2018	Audited Full Year 2018
Profit after tax	18.1	36.9	45.7	92.3	131.6
Other comprehensive income					
Currency translation adjustments taken to equity	-2.0	0.6	-5.2	-3.4	-2.0
Total comprehensive income for the period	16.1	37.5	40.5	88.9	129.6

CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 30 Sep 2019	Unaudited 30 Sep 2018	Audited 31 Dec 2018
Assets			
Non-current assets			
Goodwill	279.9	282.2	282.7
Other intangible assets	163.9	152.6	151.8
Investment in associates	2.0	2.0	1.9
Property, plant and equipment	38.2	36.9	37.4
Property, plant and equipment - right-of-use assets	67.0	-	-
Deferred tax assets	16.4	13.1	15.8
Convertible bond	6.7	6.7	6.8
Other non-current assets	2.3	2.4	3.2
	576.4	495.9	499.6
Current assets			
Trade and other receivables	66.0	46.9	52.9
Taxation recoverable	43.0	37.9	43.0
Cash and cash equivalents	111.6	137.3	160.3
	220.6	222.1	256.2
Total assets	797.0	718.0	755.8
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	11.4	15.2	16.6
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	231.6	196.2	236.7
Total equity	281.7	250.1	292.0
Non-current liabilities			
Borrowings	172.2	193.2	149.3
Lease liabilities	55.9	-	-
Deferred tax liabilities	4.4	5.7	4.3
	232.5	198.9	153.6
Current liabilities			
Borrowings	-	30.0	45.0
Lease liabilities	11.3	-	-
Trade and other payables	131.6	115.2	131.0
Customer balances	67.3	63.2	62.3
Deferred income	5.9	4.6	5.4
Tax liabilities	66.7	56.0	66.5
	282.8	269.0	310.2
Total liabilities	515.3	467.9	463.8
Total equity and liabilities	797.0	718.0	755.8

CONSOLIDATED BALANCE SHEET MEASURES			
Borrowings	172.2	223.2	194.3
Customer balances	67.3	63.2	62.3
Cash and cash equivalents	-111.6	-137.3	-160.3
Less: Unrestricted cash	-44.3	-74.1	-98.0
Net debt	127.9	149.1	96.3

CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q3 2019	Unaudited Q3 2018	Unaudited Jan - Sep 2019	Unaudited Jan - Sep 2018	Audited Full Year 2018
Operating activities					
Profit from operations	22.7	43.6	57.6	109.0	156.0
Adjustments for:					
Depreciation of property, plant and equipment	3.8	3.3	11.2	9.2	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.8	-	7.3	-	-
Amortisation of intangible assets	7.8	8.6	22.0	26.1	33.8
Loss on disposal of intangible assets	0.0	0.3	0.0	0.3	0.3
Loss on disposal of property, plant & equipment	0.0	0.2	0.1	0.4	0.5
FX (loss)/gain on dividend	-	-	-0.4	0.3	0.3
Share-based payments	0.8	0.6	1.8	1.6	2.2
Equity settled employee benefit plan	0.5	0.5	1.5	1.7	2.2
Operating cash flows before movements in working capital	38.4	57.1	101.1	148.6	208.3
(Increase)/decrease in trade and other receivables	-4.4	2.3	-12.0	-8.8	-15.8
Increase/(decrease) in trade and other payables, including customer balances	11.6	-18.3	16.0	7.1	21.4
Cash flows from operating activities	45.6	41.1	105.1	146.9	213.9
Net income taxes paid	-2.2	-2.0	-13.1	-10.7	-15.0
Net cash generated from operating activities	43.4	39.1	92.0	136.2	198.9
Investing activities					
Interest received	0.0	0.0	0.2	0.2	0.2
Interest paid	-2.1	-0.6	-5.3	-3.0	-3.7
Interest paid on lease liabilities	-0.3	-	-0.9	-	-
Purchases of other non-current assets	-	-	-	-1.8	-1.8
Purchases of property, plant and equipment	-2.2	-5.2	-12.7	-21.8	-26.0
Proceeds from sale of property, plant and equipment	-	-	0.1	-	-
Development and acquisition costs of intangible assets	-14.5	-5.5	-34.5	-17.5	-23.5
Net cash used in investing activities	-19.1	-11.3	-53.1	-43.9	-54.8
Financing activities					
Repayment of lease liabilities	-2.0	-	-6.5	-	-
Dividend paid	-	-	-56.2	-125.6	-125.6
Treasury share purchase	-	-	-	-14.6	-14.6
Proceeds from borrowings	0.3	-	57.9	112.0	112.0
Repayment of borrowings	-18.6	-18.0	-77.8	-85.6	-115.5
Net cash used in financing activities	-20.3	-18.0	-82.6	-113.8	-143.7
Net increase/(decrease) in cash and cash equivalents	4.0	9.8	-43.7	-21.5	0.4
Cash and cash equivalents at beginning of period	109.2	127.1	160.3	159.1	159.1
Effect of foreign exchange rate changes	-1.6	0.4	-5.0	-0.3	0.8
Cash and cash equivalents at end of period	111.6	137.3	111.6	137.3	160.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q3 2019	Unaudited Q3 2018	Unaudited Jan - Sep 2019	Unaudited Jan - Sep 2018	Audited Full Year 2018
Opening balance at beginning of period	264.3	211.5	292.0	298.2	298.2
Adjustment on adoption of IFRS 16	-	-	2.1	-	-
Restated opening balance at beginning of period	264.3	211.5	294.1	298.2	298.2
Comprehensive income					
Profit for the period	18.1	36.9	45.7	92.3	131.6
Other comprehensive income:					
Translation adjustment	-2.0	0.6	-5.2	-3.4	-2.0
	16.1	37.5	40.5	88.9	129.6
Transactions with owners					
Share awards - value of employee services	0.8	0.6	1.8	0.1	0.7
Treasury share purchase	-	-	-	-14.6	-14.6
Equity settled employee benefit plan	0.5	0.5	1.5	1.4	1.9
Disposal of treasury shares	-	-	0.0	1.7	1.8
Dividend paid	-	-	-56.2	-125.6	-125.6
	1.3	1.1	-52.9	-137.0	-135.8
Closing balance at end of period	281.7	250.1	281.7	250.1	292.0

Notes to the condensed consolidated interim financial statements

1: General information

Kindred Group plc ('the Company') and its subsidiaries (together, 'the Group') is an online gambling business with over 26.7 million registered customers worldwide as at 30 September 2019 and is one of the largest publicly quoted online gambling operators in the European market.

The Company is a public limited liability company incorporated and domiciled in Malta. The Group's most significant subsidiaries can be found in Malta, the United Kingdom, Sweden, France, Italy, Gibraltar, Australia and the USA.

The Company is only listed on the NASDAQ Stockholm.

This condensed consolidated interim financial information was approved for issue on 25 October 2019.

2: Basis of preparation

This condensed consolidated interim financial information for the nine-month period ended 30 September 2019 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements (Annual Report) for the year ended 31 December 2018.

The next annual financial statements will be prepared in accordance with IFRS as adopted by the European Union and drawn up to the year ending 31 December 2019.

The Directors consider the Group to be a going concern for at least 12 months from the date of approval of the interim report. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is able to operate within the level of its current facilities.

3: Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2018, except for:

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings, in line with IAS 12.
- Certain amendments or interpretations to standards effective from 1 January 2019 and implemented during the period, which did not have a material effect on these consolidated interim financial statements.
- The adoption of the leasing standard, IFRS 16, effective from 1 January 2019 and implemented during the period. For detail of the impact of the adoption of IFRS 16, please see note 7.

IFRS 13 requires management to identify a three-level hierarchy of financial assets and liabilities at fair value. The financial assets at fair value are immaterial and financial liabilities at fair value have been measured using inputs based on unobservable market data (defined as level three by IFRS 13). The financial liabilities at fair value through profit and loss consist of deferred income relating to unsettled bets at balance sheet date. The fair value amount of the deferred income as at 30 September 2019 and 31 December 2018 is reported in the consolidated balance sheet on page 15. A reasonable change in assumptions would not give rise to a material change in value.

4: Items affecting comparability

The Group defines items affecting comparability as those items which, by their size or nature in relation to both the Group and individual segments, should be separately disclosed in order to give a full understanding of the Group's underlying financial performance, and aid comparability of the Group's results between periods.

Items affecting comparability include, to the extent they are material, management incentive costs relating to acquisitions, amortisation of acquired intangible assets and foreign currency gains and losses on operating items.

GBP 'm	Nine months ended 30-Sep-19	Nine months ended 30-Sep-18	Full Year 2018
Management incentive costs relating to acquisitions	-0.2	-0.6	-0.9
Accelerated amortisation of acquired intangible assets	-	-3.7	-4.7
Amortisation of intangible assets that arose on acquisition	-4.5	-9.5	-11.3
Foreign currency gain/(loss) on operating items	2.4	-1.8	-1.2
Total	-2.3	-15.6	-18.1

Management incentive costs refer to costs in connection with the Group's acquisitions.

Amortisation of acquired intangible assets is the charge on IFRS 3 Business combination acquired assets over the useful economic life of the asset and is included as part of the Group's total amortisation charge.

5: Operating Segments

(a) Reconciliation of segment revenues to profit from operations

For the nine months ended 30 September 2019 GBP 'm	Nordic Region	Western Europe	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue as reported	195.7	410.4	57.5	13.0	676.6
Cost of sales	-69.1	-199.2	-22.8	-6.9	-298.0
Gross profit	126.6	211.2	34.7	6.1	378.6
Marketing costs					-155.6
Administrative expenses					-163.1
Items affecting comparability					-2.3
Profit from operations					57.6

For the nine months ended 30 September 2018 GBP 'm	Nordic Region	Western Europe	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue as reported	227.0	368.6	49.2	12.7	657.5
Cost of sales	-62.9	-168.3	-20.2	-6.4	-257.8
Gross profit	164.1	200.3	29.0	6.3	399.7
Marketing costs					-137.8
Administrative expenses					-137.3
Items affecting comparability					-15.6
Profit from operations					109.0

(b) Product revenues by principal product groups

GBP 'm	Nine months ended 30-Sep-19	Nine months ended 30-Sep-18
Sports Betting (after Free Bets)	324.8	310.7
Casino	317.0	317.1
Poker	15.5	13.0
Other	19.3	16.7
Total Gross winnings revenue	676.6	657.5

6: Intangible assets and property, plant & equipment

Nine months ended 30 September 2019 GBP 'm	Goodwill	Other intangible assets	Property, plant & equipment	Property, plant & equipment - right-of-use assets
Opening net book amount 1 January 2019	282.7	151.8	37.4	75.0
Additions	-	34.5	12.7	-
Disposals	-	-0.0	-0.2	-
Currency translation adjustment	-2.8	-0.4	-0.5	-0.7
Amortisation / depreciation	-	-22.0	-11.2	-7.3
Closing net book amount at 30 September 2019	279.9	163.9	38.2	67.0

Nine months ended 30 September 2018 GBP 'm	Goodwill	Other intangible assets	Property, plant & equipment	Property, plant & equipment - right-of-use assets
Opening net book amount 1 January 2018	279.1	162.8	24.7	-
Additions	-	17.5	21.8	-
Fair value adjustments	5.5	-	-	-
Disposals	-	-0.3	-0.4	-
Currency translation adjustment	-2.4	-1.3	-0.0	-
Amortisation / depreciation	-	-26.1	-9.2	-
Closing net book amount at 30 September 2018	282.2	152.6	36.9	-

7: Adoption of new standard, IFRS 16

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.

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 18.

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

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.

The table below 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
Operating lease commitments in the scope of IFRS 16	83.4
Discounted using the Group's incremental borrowing rate as at the date of initial application	75.0
Lease liabilities recognised as at 1 January 2019	75.0
Of which are:	
Current lease liabilities	10.7
Non-current lease liabilities	64.3

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).

The table below shows the right-of-use assets and corresponding lease liabilities recognised as at 1 January 2019 and as at 30 September 2019. All recognised right-of-use assets relate to the Group's premises.

GBP 'm	Unaudited 30 Sep 2019	Unaudited 1 Jan 2019
Right-of-use assets - premises	67.0	75.6
Lease liabilities:	67.2	75.0
Of which are:		
Current lease liabilities	11.3	10.7
Non-current lease liabilities	55.9	64.3

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

GBP 'm	Unaudited Q3 2018	Unaudited Jan - Sep 2018	Audited Full Year 2018
EBITDA as previously disclosed	55.5	144.3	202.8
Add back rental costs previously recognised under IAS 17	1.2	3.4	4.6
EBITDA recalculated under IFRS 16	56.7	147.7	207.4
EBITDA margin as previously disclosed	24%	22%	22%
EBITDA margin recalculated under IFRS 16	25%	22%	23%
Underlying EBITDA as previously disclosed	55.7	144.9	203.7
Add back rental costs previously recognised under IAS 17	1.2	3.4	4.6
Underlying EBITDA recalculated under IFRS 16	56.9	148.3	208.3
Operating cash flows before movements in working capital as previously disclosed	57.1	148.6	208.3
Add back rental costs previously recognised under IAS 17	1.2	3.4	4.6
Operating cash flows before movements in working capital recalculated under IFRS 16	58.3	152.0	212.9

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.

8: Convertible bond

In May 2014, the Group subscribed to a GBP 6.0 million convertible bond issued by Kambi as part of the disposal. On 31 May 2018 the convertible bond was amended and restated with a principal amount of EUR 7.5 million. The bond has an embedded contingent option to provide change of control protection to both the Group and Kambi. The option can only be exercised on the occurrence of limited trigger events.

9: Share capital and share premium

GBP 'm	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 January 2019	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
At 30 September 2019	230.1	0.1	81.5	81.6

GBP 'm	Number of shares (millions)	Share capital	Share premium	Total
Opening balance 1 January 2018	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
At 30 September 2018	230.1	0.1	81.5	81.6

10: Borrowing and loans

GBP 'm	30-Sep-19	30-Sep-18
Non-current	172.2	193.2
Current	-	30.0
Total	172.2	223.2

Movements in borrowings are analysed as follows:

GBP 'm	Borrowings
Opening balance 1 January 2019	194.3
Drawdown of borrowings	57.9
Repayment of borrowings	-77.8
Translation loss on borrowings	-2.2
At 30 September 2019	172.2
Opening balance 1 January 2018	195.6
Drawdown of borrowings	112.0
Repayment of borrowings	-85.6
Translation loss on borrowings	1.2
At 30 September 2018	223.2

On 23 July 2019, Kindred Group plc entered into a new syndicated multicurrency facilities agreement with several Nordic banks. The facilities will be used to refinance the amounts outstanding under the existing facilities agreement and for the Group's general corporate purposes.

The facilities comprise a GBP 120 million bullet term loan and a GBP 160 million revolving loan facility, both repayable at the end of the 3-year facility term on 23 July 2022.

Interest shall accrue on each advance under the facilities agreement at the rate per annum which is the sum of the applicable IBOR plus the applicable margin of 2.00 per cent per annum.

The facilities agreement is also subject to financial undertakings and at 30 September 2019 the Kindred Group was in compliance with these undertakings. The Group anticipates continued full compliance and that if the facility is further utilised in the future, it will be repaid in accordance with contracted terms at any such time.

11: Dividend

A dividend of GBP 0.496 (0.551) per ordinary share/SDR was approved at the AGM on 14 May 2019. In order to facilitate more efficient cash management, it was decided that the dividend be paid in two equal instalments. The first instalment of GBP 56.2 million was paid on 21 May 2019, and the second instalment will be paid on 21 November 2019.

12: Related party transactions

Kindred Group plc has a 35% interest in its associate, Relax Holding Limited. Relax Holding Limited and its subsidiaries are therefore considered to be related parties of Kindred Group plc. The Relax Gaming Group provides certain brands within the Kindred Group with B2B online gaming services, being the supply of its Casino, Bingo and Poker product as well as some related development. During the period ended 30 September 2019 the following related party transactions were entered into with the Relax Gaming Group:

- Various subsidiaries of Kindred Group plc received services from subsidiaries of Relax Holding Limited. The total amount of services procured amounted to GBP 6,429,480 (5,126,976). At 30 September 2019, the remaining balance owed by the Group was GBP nil (nil).
- In February 2018, Kindred Group plc also agreed to provide a loan facility to Relax Holding Limited for a maximum value of EUR 1.0 million. In April 2018, the company drew down EUR 0.5 million of the facility, and a further EUR 0.5m was drawn down in February 2019. In line with the loan agreement, interest and fees are accruing on the loan balance, and the facility will expire in April 2020. At 30 September 2019, the remaining balance owed to the Group was GBP 995,312 (471,950).

Other related party transactions during the period ended 30 September 2019 totalled GBP 130,222 (50,987). This relates to marketing services provided by Football United International Limited, a company in which two of the Kindred Group's board members have an interest. The balance due to Football United International Limited was GBP 11,179 (nil) as at 30 September 2019.

13: Contingent liabilities

Currently the Group has not provided for certain potential claims arising from the promotion of gaming activities in certain jurisdictions. Based on current legal advice, the Directors do not anticipate that the outcome of the proceedings and potential claims, if any, will have a material adverse effect upon the Group's financial position. Further details can be found in the General Legal Environment section of the 2018 Annual Report, on pages 43 to 45.

KEY RATIOS

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

	Unaudited Q3 2019	Unaudited Q3 2018	Unaudited Jan - Sep 2019	Unaudited Jan - Sep 2018	Audited Full Year 2018
Operating margin (Profit from operations/gross winnings revenue for the period)	10%	19%	9%	17%	17%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	2%	5%	6%	13%	18%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	33%	76%	27%	53%	53%
Equity:assets ratio	35%	35%	35%	35%	39%
EBITDA margin	16%	24%	14%	22%	22%
Unrestricted cash/EBITDA (rolling 12-month basis)	0.283	0.340	0.283	0.340	0.483
Net debt/EBITDA (rolling 12-month basis)	0.817	0.684	0.817	0.684	0.475
Employees at period end	1,667	1,425	1,667	1,425	1,465
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.485	0.597	0.485	0.597	0.697
Net debt per share (GBP) (total cash at period end less customer balances and borrowings/number of shares at end of period)	0.556	0.648	0.556	0.648	0.418
Operating cash flow before movements in working capital per share (GBP)	0.169	0.252	0.446	0.654	0.917
Earnings per share (GBP)	0.080	0.163	0.202	0.406	0.580
Fully diluted earnings per share (GBP)	0.079	0.162	0.200	0.404	0.576
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	231,987,774	231,261,827	231,987,774	231,261,827	231,434,971
Weighted average number of outstanding shares	226,593,080	226,577,710	226,593,073	227,200,171	227,043,853
Weighted average number of fully diluted outstanding shares	228,458,040	227,715,143	228,443,890	228,335,798	228,348,308

¹ As at 30 September 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.

NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

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

(GBP 'm)

SPORTS BETTING BY REGION	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 YTD	2018 FY	2017 FY
Gross winnings revenue										
Nordics	22.1	24.0	19.1	31.2	29.7	25.7	25.3	65.2	111.9	103.0
Western Europe	74.6	74.2	76.0	82.2	70.4	68.3	59.8	224.8	280.7	206.3
Central, Eastern and Southern Europe	10.0	8.8	8.3	8.7	9.5	7.9	8.0	27.1	34.1	26.0
Other	2.7	1.9	3.1	2.8	1.5	3.0	1.6	7.7	8.9	11.2
Total	109.4	108.9	106.5	124.9	111.1	104.9	94.7	324.8	435.6	346.5
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	-26%	-7%	-25%	-9%	12%	26%	17%	-19%	9%	28%
Western Europe	6%	9%	27%	10%	42%	52%	62%	13%	36%	51%
Central, Eastern and Southern Europe	5%	11%	4%	1%	46%	34%	60%	7%	31%	35%
Other	80%	-37%	94%	-15%	-50%	43%	-43%	26%	-21%	19%
Total	-2%	4%	12%	3%	30%	43%	-43%	5%	26%	41%
OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 YTD	2018 FY	2017 FY
Gross winnings revenue										
Nordics	44.3	43.4	42.8	48.3	49.3	48.3	48.7	130.5	194.6	194.0
Western Europe	60.5	61.7	63.4	65.5	60.0	55.1	55.0	185.6	235.6	178.7
Central, Eastern and Southern Europe	10.0	10.4	10.0	10.3	8.2	8.1	7.5	30.4	34.1	25.1
Other	1.8	1.8	1.7	1.1	2.1	2.6	1.9	5.3	7.7	7.1
Total	116.6	117.3	117.9	125.2	119.6	114.1	113.1	351.8	472.0	404.9
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	-10%	-10%	-12%	-2%	-1%	2%	2%	-11%	0%	22%
Western Europe	1%	12%	15%	17%	17%	41%	69%	9%	32%	62%
Central, Eastern and Southern Europe	22%	28%	33%	36%	41%	45%	23%	28%	36%	-5%
Other	-14%	-31%	-11%	-73%	75%	86%	280%	-20%	8%	173%
Total	-3%	3%	4%	7%	11%	22%	30%	1%	17%	36%
TOTAL BY REGION	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 YTD	2018 FY	2017 FY
Gross winnings revenue										
Nordics	66.4	67.4	61.9	79.5	79.0	74.0	74.0	195.7	306.5	297.0
Western Europe	135.1	135.9	139.4	147.7	130.4	123.4	114.8	410.4	516.3	385.0
Central, Eastern and Southern Europe	20.0	19.2	18.3	19.0	17.7	16.0	15.5	57.5	68.2	51.1
Other	4.5	3.7	4.8	3.9	3.6	5.6	3.5	13.0	16.6	18.3
Total	226.0	226.2	224.4	250.1	230.7	219.0	207.8	676.6	907.6	751.4
Share of total %										
Nordics	29%	30%	28%	32%	34%	34%	36%	29%	34%	40%
Western Europe	60%	60%	62%	59%	56%	56%	55%	61%	57%	51%
Central, Eastern and Southern Europe	9%	8%	8%	7%	8%	7%	7%	8%	7%	7%
Other	2%	2%	2%	2%	2%	3%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	-16%	-9%	-16%	-5%	3%	9%	7%	-14%	3%	24%
Western Europe	4%	10%	21%	13%	29%	47%	65%	11%	34%	56%
Central, Eastern and Southern Europe	13%	20%	18%	17%	44%	39%	40%	17%	33%	12%
Other	25%	-34%	37%	-47%	-14%	60%	6%	2%	-9%	53%
Total	-2%	3%	8%	5%	19%	31%	36%	3%	21%	38%

NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

Gross winnings revenue by product (after Free Bets)

(GBP 'm)

TOTAL BY PRODUCT	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 YTD	2018 FY	2017 FY
Gross winnings revenue										
Sports Betting	109.4	108.9	106.5	124.9	111.1	104.9	94.7	324.8	435.6	346.5
Casino & Games	104.7	105.6	106.7	114.7	109.9	104.0	103.2	317.0	431.8	367.3
Poker	5.2	4.6	5.7	4.9	4.4	4.0	4.6	15.5	17.9	15.2
Other	6.7	7.1	5.5	5.6	5.3	6.1	5.3	19.3	22.3	22.4
Total	226.0	226.2	224.4	250.1	230.7	219.0	207.8	676.6	907.6	751.4

Share of total %										
Sports Betting	48%	48%	47%	50%	48%	48%	46%	48%	48%	46%
Casino & Games	47%	47%	48%	46%	48%	47%	50%	47%	48%	49%
Poker	2%	2%	3%	2%	2%	2%	2%	2%	2%	2%
Other	3%	3%	2%	2%	2%	3%	2%	3%	2%	3%

Quarterly Year-on-Year & Year-on-Year growth %										
Sports Betting	-2%	4%	12%	3%	30%	43%	43%	5%	26%	41%
Casino & Games	-5%	2%	3%	8%	11%	23%	33%	0%	18%	36%
Poker	18%	15%	24%	7%	47%	3%	24%	19%	18%	22%
Other	26%	16%	4%	-5%	-5%	17%	-7%	16%	0%	34%

Sports Betting gross margins

(GBP 'm)

	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 YTD	2018 FY	2017 FY
Sports Betting Stakes	1,218.1	1,256.3	1,340.8	1,329.4	1,314.4	1,271.6	1,148.9	3,815.2	5,064.3	4,542.1
<i>Sports Betting Gross winnings revenue:</i>										
Live Betting	62.5	64.2	64.5	64.6	72.0	58.2	55.7	191.2	250.5	197.2
<i>Live Betting margin</i>	8.4%	8.8%	8.3%	8.4%	8.6%	7.8%	8.1%	8.5%	8.2%	7.2%
<i>Live Betting share</i>	49.7%	50.2%	49.7%	44.4%	55.2%	46.5%	50.1%	49.9%	48.9%	48.9%
Pre-game Betting	63.2	63.7	65.2	81.0	58.5	66.9	55.5	192.1	261.9	205.9
<i>Pre-game Betting margin</i>	13.4%	12.0%	11.5%	14.4%	13.3%	13.2%	12.1%	12.3%	12.9%	11.5%
<i>Pre-game Betting share</i>	50.3%	49.8%	50.3%	55.6%	44.8%	53.5%	49.9%	50.1%	51.1%	51.1%
Total before Free Bets	125.7	127.9	129.7	145.6	130.5	125.1	111.2	383.3	512.4	403.1
<i>Sports Betting margin (before FB)</i>	10.3%	10.2%	9.7%	11.0%	9.9%	9.8%	9.7%	10.0%	10.1%	8.9%
Free Bets	-16.3	-19.0	-23.2	-20.7	-19.4	-20.2	-16.5	-58.5	-76.8	-56.6
Total after Free Bets	109.4	108.9	106.5	124.9	111.1	104.9	94.7	324.8	435.6	346.5
<i>Sports Betting margin (after FB)</i>	9.0%	8.7%	7.9%	9.4%	8.5%	8.2%	8.2%	8.5%	8.6%	7.6%

Total margin (all products)

(%)

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

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