

**Fourth quarter and full year highlights**

- **Gross winnings revenue amounted to GBP 236.2 (250.1) million for the fourth quarter of 2019, and GBP 912.8 (907.6) million for the full year 2019.**
- **Underlying EBITDA for the fourth quarter of 2019 was GBP 30.7 (58.8) million, and GBP 130.0 (203.7) million for the full year 2019.**
- **Net cash generated from operating activities for the fourth quarter of 2019 amounted to GBP 30.5 (65.2) million and GBP 120.3 (206.4) million for the full year 2019.**
- **Profit before tax for the fourth quarter of 2019 amounted to GBP 13.3 (45.0) million, and GBP 67.1 (149.5) million for the full year 2019.**
- **Profit after tax for the fourth quarter of 2019 amounted to GBP 10.9 (39.3) million and GBP 56.6 (131.6) million for the full year 2019.**
- **Earnings per share for the fourth quarter of 2019 were GBP 0.048 (0.173) and GBP 0.250 (0.580) for the full year 2019.**
- **Number of active customers during the fourth quarter was 1,603,903 (1,568,574).**
- **The Board of Directors propose a dividend of 0.176 (0.496) per share/SDR, which is approximately SEK 2.20 (5.92) per share/SDR and amounts to a proposed distribution to shareholders of GBP 39.9 (112.5) million which is 79 per cent of the Group's free cash flow available for dividends for 2019. The dividend will be paid out in two equal instalments in order to facilitate more efficient cash management.**
- **AGM to be held on Tuesday 12 May 2020 in Stockholm.**

**"The fourth quarter Sportsbook margin weigh on numbers"**

"Some of the factors that impacted the fourth quarter of 2019 were the same as we reported in previous quarters, such as the Swedish regulation and increasing restrictions in the Dutch market. These and other headwinds are a normal part of our business that we address, adjust to and, over time, use as a competitive advantage. The initiatives we have taken in Sweden to return to growth has resulted in continued recovery from the low EBITDA in the first half of the year; however, compared to the fourth quarter of 2018 the EBITDA from Sweden was still down by GBP 6.6 million."

"As we noted in our trading update on 13 January 2020, there were some temporary factors that reduced the profit for the fourth quarter. We had below average sports betting margins in many markets, including France. The French turnover-based gambling tax increased the negative effects of the low margins significantly, however the tax system in France changed on 1 January 2020 to a tax on revenues."

"We also had the first full quarter of trading in the locally regulated US states of New Jersey and Pennsylvania. It was expected that the first months of trading in the US would be loss-making which is completely in line with Kindred's experience of launches into other new markets. This is logical as revenues grow from zero in response to our marketing investments, which includes initial marketing production costs (USD 2 million) to go live that will be used longer term. I am confident that we will see continued improvements in 2020 as our business in the US grows and our revenues increase. The US is the market with the largest long-term growth potential as regulation gathers pace, with the US online sports betting market estimated to be USD 13.6 billion by 2023 (by the independent research firm Eilers & Krejci Gaming)."

"Subject to change during the remainder of the quarter, but as an initial indication, the daily average Gross winnings revenue for the period 1 January to 9 February 2020 in GBP was 5 per cent higher (10 per cent in constant currency) than for the same period last year. In the US, Gross winnings revenues grew by 90 per cent in January 2020 compared to December 2019," says Henrik Tjärnström, CEO of Kindred Group.

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Today, Wednesday 12 February 2020, Kindred Group's CEO Henrik Tjärnström will host a presentation in English at Kindred's office at Regeringsgatan 25, in Stockholm at 08.00 CET. The presentation is also webcast live on [www.kindredgroup.com/Q42019](http://www.kindredgroup.com/Q42019). For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 33 3300 9274 or in the USA: +1 833 526 8382.

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.

## Q4 AND FULL YEAR SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q4		Full Year	
	2019 GBP 'm	2018 GBP 'm	2019 GBP 'm	2018 GBP 'm
Gross winnings revenue	236.2	250.1	912.8	907.6
EBITDA <sup>1</sup>	30.0	58.5	128.1	202.8
Underlying EBITDA <sup>2</sup>	30.7	58.8	130.0	203.7
Profit before tax	13.3	45.0	67.1	149.5
Profit after tax	10.9	39.3	56.6	131.6
Unrestricted cash <sup>3*</sup>	70.4	112.0	70.4	112.0
Borrowings	225.4	194.3	225.4	194.3
Net debt <sup>4*</sup>	155.0	82.3	155.0	82.3
	GBP	GBP	GBP	GBP
EBITDA <sup>1</sup> per share	0.131	0.258	0.565	0.893
Underlying EBITDA <sup>2</sup> per share	0.134	0.260	0.574	0.897
Earnings per share	0.048	0.173	0.250	0.580
Unrestricted cash <sup>3</sup> per share*	0.306	0.487	0.306	0.487
Net debt <sup>4</sup> per share*	0.674	0.358	0.674	0.358
	SEK	SEK	SEK	SEK
EBITDA <sup>1</sup> per share	1.623	3.004	6.821	10.358
Underlying EBITDA <sup>2</sup> per share	1.661	3.020	6.922	10.404
Earnings per share	0.594	2.018	3.014	6.721
Unrestricted cash <sup>3</sup> per share*	3.756	5.579	3.756	5.579
Net debt <sup>4</sup> per share*	8.270	4.100	8.270	4.100
	No.	No.	No.	No.
Active customers	1,603,903	1,568,574		
Registered customers (million)	27.3	24.9	27.3	24.9

Currency rate Q4 19 average: 1 GBP = 12.372 SEK, Q4 18 average: 1 GBP = 11.637 SEK, FY 19 average: 1 GBP = 12.070 SEK, FY 18 average: 1 GBP = 11.596 SEK, 31 December 2019: 1 GBP = 12.279 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.

\* At 31 December 2019 GBP 10.3 million of amounts held in trust in respect of customers have been reclassified from trade and other receivables to cash and cash equivalents (restricted cash) to better reflect the nature of the funds. The comparatives at 31 December 2018 have been restated, reclassifying GBP 14.0 million to cash and cash equivalents (restricted cash). The metrics which include net debt and unrestricted cash disclosed above have been impacted by this change for all comparative periods presented. For more information, see page 9.

Certain 2019 figures disclosed above have also been impacted by the adoption of IFRS 16 "Leases". Refer to pages 5 and 19 for further detail.

### Definition of Alternative Performance Measures

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

<sup>2</sup> Underlying EBITDA = EBITDA before management incentive costs relating to acquisitions and personnel restructuring costs.

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

<sup>4</sup> Net debt = Total borrowings less unrestricted cash.

Refer to pages 13 and 15 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.



## Significant events during the fourth quarter of 2019

### Financial performance

During the fourth quarter of 2019, Gross winnings revenue across most markets was impacted by weak sports betting margins. The most significant deviation in sports betting margin occurred in France. As betting duties on Sports betting in France were calculated on the basis of betting turnover, which has increased as a result of the low margin, the financial impact was greatly increased. From 1 January 2020, the basis of calculation of betting duties on Sports betting in France has changed to a tax based on revenue, which is more stable.

As previously communicated, Kindred has continued to grow its market presence in the US. During the fourth quarter Kindred operated in both New Jersey and Pennsylvania under the Unibet brand, going live with both online sports and casino in Pennsylvania on 15 November 2019. Gross winnings revenue across both states amounted to GBP 1.7 million for the quarter, whilst the negative impact on the underlying EBITDA was GBP 6.0 million (largely impacted by GBP 5.0 million of marketing investments). For 2020, it is expected that the impact of operating costs on EBITDA will gradually decrease in line with the growth in the Gross winnings revenue in these two states.

Gross winnings revenue and EBITDA have also continued to be negatively impacted by regulatory changes in Sweden and the Netherlands, although performance in Sweden improved significantly compared to prior quarters.

### Other significant events

On 8 October 2019, Kindred Group organised the fourth annual Sustainable Gambling Conference 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.

On 11 December 2019, Kindred became the first commercial Community Partner of the European Football Development Network (EFDN). The network aims to promote the power of football as a tool for social development.

## Significant events after the period end

On 11 February 2020, Kindred Group signed a multi-state agreement with Caesars Entertainment. The agreement will provide Kindred with market access in Indiana and Iowa, and potentially other states, allowing the Group to operate both online Sports betting and online gaming under the Unibet brand. The agreement is subject to the passing of applicable laws and the parties securing all necessary gaming licenses.

## Kindred as a sustainable operator

Kindred Group is one of the world's leading online gambling operators with business operations across Europe, Australia and the US. The Group offers pre-game and live Sports betting (including horse racing betting), Poker, Casino & Games and Bingo through several brands. 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 profit and value. 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. 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. The focus on driving a sustainable business ensures that the Group keeps its licenses to operate and maintain the customers' trust in a highly regulated and competitive industry. Kindred is convinced that the lasting economic success of any company these days is based increasingly on acting responsibly and ensuring social acceptance.



Kindred is 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 by 2023.*
- *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 coming Kindred Group 2019 Sustainability Report which will be available on the 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 52,636 live betting events in the fourth quarter of 2019 and streamed 32,525 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 with exclusive content on both global and local games. During the quarter, the concept of higher payback was launched in Sweden on ten casino games and was very well received by players. A Norwegian customer also won a jackpot of GBP 3.6 million on the Mega Fortune Dreams game.

### Poker

The Kindred Group's poker product is one of the fastest growing licensed poker networks in the industry. In early December a standalone game of the popular poker format HexaPro was released.

### 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.

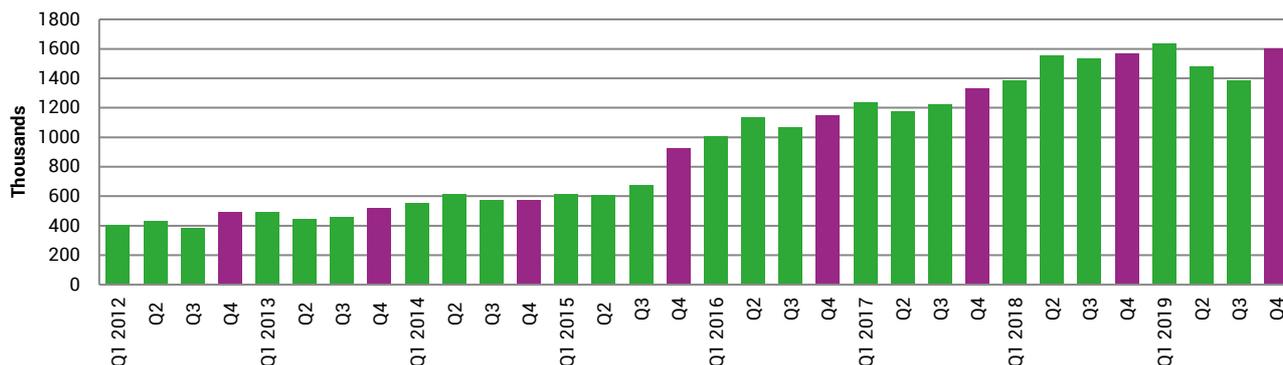
## Customers

The total number of registered customers has continued to increase and amounted to over 27.3 (24.9) million at 31 December 2019, whilst at 30 September 2019, over 26.7 million customers were registered.

For the fourth quarter of 2019 the number of active customers amounted to 1,603,903 (1,568,574), compared with 1,384,416 for the third 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, except where otherwise stated. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2018, except for IFRS 16 and IFRIC 23 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 19 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 17.

### 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 and retention.

Gross winnings revenue for Sports betting amounted to GBP 110.7 (124.9) million for the fourth quarter of 2019. For the full year 2019, Gross winnings revenue for Sports betting amounted to GBP 435.5 (435.6) million.

In the fourth quarter of 2019, live betting accounted for 53.5 (57.6) per cent of turnover on Sports betting and 45.2 (44.4) per cent of Gross winnings revenue on Sports betting.

Gross winnings revenue for other products amounted to GBP 125.5 (125.2) million for the fourth quarter of 2019. For the full year 2019, Gross winnings revenue for other products amounted to GBP 477.3 (472.0) million.

Please refer to pages 20 and 21 for more information on Gross winnings revenue by region and product.

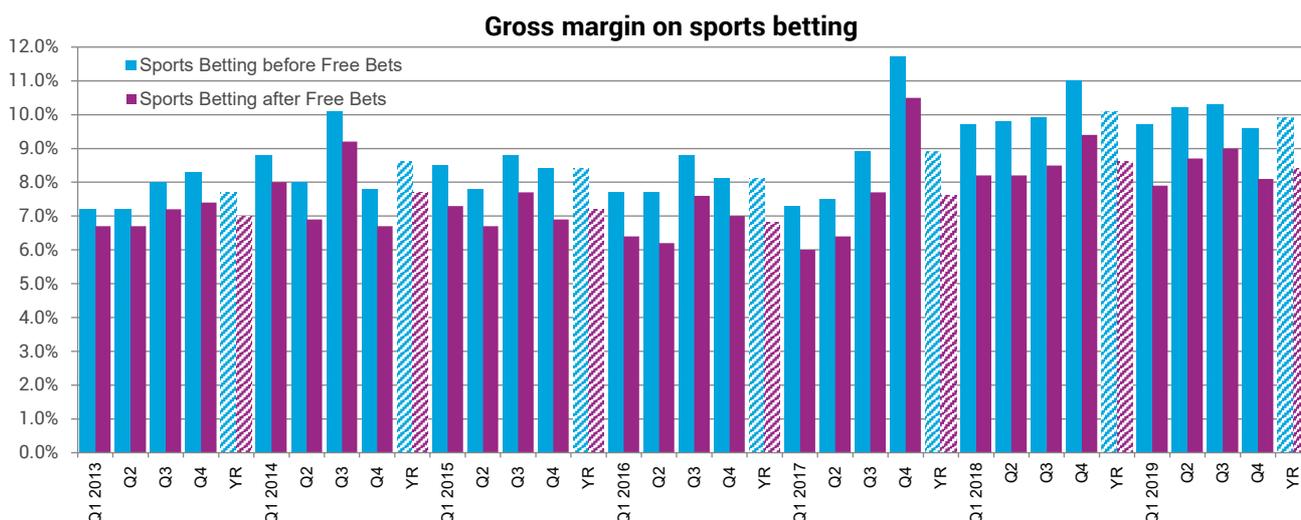
### Gross margin on Sports betting

The gross margin for pre-game Sports betting before Free Bets for the fourth quarter of 2019 was 11.3 (14.4) per cent.

The gross margin for total Sports betting for the fourth quarter of 2019 before Free Bets was 9.6 (11.0) per cent. The gross margin for total Sports betting for the fourth quarter of 2019 after Free Bets was 8.1 (9.4) per cent.

Please refer to page 21 for more information on Sports betting margins.

In recent years the typical average sports betting margin for the Group has increased. This is generally due to the fact that the French sports business has grown faster than the average growth for other markets and, like all operators, Kindred is required to cap pay-out to customers at 85 per cent. However, Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. 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 fourth quarter of 2019 betting duties were GBP 55.7 (44.5) million and marketing revenue share amounted to GBP 12.4 (14.0)



million. Betting duties for the full year 2019 amounted to GBP 204.3 (158.7) million and marketing revenue share for the full year 2019 amounted to GBP 48.8 (50.0) million.

### Gross profit

Gross profit for the fourth quarter of 2019 was GBP 130.0 (152.5) million. Gross profit for the full year 2019 was GBP 508.6 (552.2) 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 fourth quarter of 2019, operating costs were GBP 112.2 (103.0) million. Of these operating costs, GBP 55.3 (51.2) million were marketing costs and GBP 24.9 (22.6) million were salaries. During the full year 2019, operating costs were GBP 429.9 (378.1) million. Of these operating costs, GBP 210.9 (189.0) million were marketing costs and GBP 96.1 (84.0) 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-Dec-19	31-Dec-18	YoY Delta
SEK	12.279	11.464	-7.1%
NOK	11.594	11.121	-4.3%
EUR	1.175	1.118	-5.1%
DKK	8.782	8.348	-5.2%
AUD	1.880	1.813	-3.7%

#### Income statement averages for the quarter:

Rate to GBP	Avg Q4 19	Avg Q4 18	YoY Delta
SEK	12.372	11.637	-6.3%
NOK	11.723	10.865	-7.9%
EUR	1.162	1.127	-3.1%
DKK	8.684	8.413	-3.2%
AUD	1.883	1.794	-5.0%

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 negative impact on Gross winnings revenue of 3 per cent in the fourth 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 fourth quarter of 2019 was GBP 30.0 (58.5) million and for the full year 2019, was GBP 128.1 (202.8) million.

Underlying EBITDA for the fourth quarter of 2019 was GBP 30.7 (58.8) million and for the full year 2019, was GBP 130.0 (203.7) million. For more information on how underlying EBITDA is calculated and reconciled to statutory measures, please see page 13.

Profit from operations for the fourth quarter of 2019 was GBP 13.3 (47.0) million. Profit from operations for the full year 2019 was GBP 70.9 (156.0) million.



From 1 January 2019, as a result of the adoption of IFRS 16, rental costs (GBP 2.9 million for the fourth quarter of 2019 and GBP 10.4 million for the full year 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 fourth quarter of 2019 and GBP 10.1 million for the full year 2019. As the Group has applied the simplified transition approach, comparatives have not been restated. IFRS 16 adjusted EBITDA comparatives are GBP 59.7 million for the fourth quarter of 2018 and GBP 207.4 million for the full year 2018. Please refer to page 19 where comparatives have been recalculated, where possible, as though they were measured under IFRS 16 to allow for greater comparability.

### Items affecting comparability

Items affecting comparability include management incentive costs relating to acquisitions, personnel restructuring costs, amortisation of acquired intangible assets and foreign currency gains and losses on operating items.

Personnel restructuring costs of GBP 0.7 million have arisen during the fourth quarter of 2019 as a result of the Group implementing measures to improve cost efficiencies. The full year 2019 amount has also been updated to include the reclassification of GBP 1.0 million of personnel restructuring costs for the period from January to September 2019 from salaries, bringing the total for the full year 2019 to GBP 1.7 million.

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. As a result of the reassessment of the fair value of acquired intangibles, the Group has also taken a non-recurring, non-cash amortisation charge of GBP 2.0 million for the fourth quarter of 2019. This fair value adjustment will have no impact on free cash flow or the dividend payment capacity of the Group.

### Net finance costs/income and foreign currency loss/gain on loan

Net finance costs for the fourth quarter of 2019 were GBP 1.7 (1.2) million. Net finance costs for the full year 2019 were GBP 6.6 (4.2) million. This primarily comprises interest and fees on borrowings which amounted to GBP 1.4 million for the fourth quarter of 2019 and GBP 5.3 million for the full year 2019. For 2019, this also 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 fourth quarter and GBP 1.2 million for the full year.

The foreign currency gains and losses on the loan refer to the revaluation of the Group's multicurrency facilities.

### Profit before tax

Profit before tax for the fourth quarter of 2019 was GBP 13.3 (45.0) million. Profit before tax for the full year 2019 was GBP 67.1 (149.5) million. As a result of the adoption of IFRS 16, profit before tax has been impacted by an additional cost of GBP 0.2 million for the fourth quarter of 2019 and GBP 0.9 million for the full year 2019.

### Profit after tax

Profit after tax for the fourth quarter of 2019 was GBP 10.9 (39.3) million. Profit after tax for the full year 2019 was GBP 56.6 (131.6) million.

The effective tax rate for the full year 2019 increased by 3.7 per cent compared to the full year 2018. This is mainly as a result of increased profits sitting in territories with higher corporation tax rates.

### Development and acquisition costs of intangible assets

Intangible assets comprise development costs, computer software and licenses. In the fourth quarter of 2019 intangible assets of GBP 6.9 (6.0) million have been capitalised, bringing the total capitalised for the full year 2019 to GBP 41.4 (23.5) 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. Although there were no such costs in the fourth quarter of



2019, for the full year 2019 US licence costs of GBP 14.9 million have been capitalised. These licenses are being amortised in line with the terms and conditions of each license. The majority of these licences relate to Pennsylvania, where licenses of GBP 14.0 million are being amortised over fifteen years and licences of GBP 0.8 million over ten years. For the fourth quarter of 2019, amortisation of the US licences amounted to GBP 0.1 million.

Capitalised development costs primarily represent capitalised salary costs for those working on the development and enhancement of the platform. Capitalised development costs for the fourth quarter of 2019 were GBP 6.7 (6.0) million and for the full year 2019 were GBP 25.0 (20.9) million. During 2019 this development is 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 120.0 million bullet term loan and a GBP 160.0 million revolving loan facility, both repayable at the end of the 3-year facility term on 23 July 2022.

As at 31 December 2019, GBP 225.4 (194.3) million of the facilities was utilised out of a total of GBP 280.0 (224.2) million. Net debt/EBITDA (rolling 12-month basis) for the fourth quarter of 2019 was 1.210 (0.406).

Cash and cash equivalents at the end of the fourth quarter of 2019 stood at GBP 137.8 (174.3) million while at the beginning of the quarter it was GBP 123.4 (148.8) million. Please refer to page 15 for further detail on the unrestricted cash balance.

At 31 December 2019, GBP 10.3 million of amounts held in trust in respect of customers have been reclassified from trade and other receivables to restricted cash within cash and cash equivalents to better reflect the nature of these funds. This change means that the comparatives at 31 December 2018 have been restated, reclassifying GBP 14.0 million to cash and cash equivalents (restricted cash). This change also ensures that the net debt calculation correctly includes these funds in order to match their corresponding customer balances, which have always been included within net debt.

### Cash flow

The restatement detailed above also has an impact on the cash flow as all relevant 2018 and 2019 balance sheet comparatives (opening and closing balances) have been restated, impacting both the movement in trade and other receivables and cash and cash equivalents for all periods presented in the consolidated cash flow. For the fourth quarter of 2018 the impact on the above cash flows was an increase of GBP 2.5 million as a result of the restatement, and for the full year 2018 an increase of GBP 7.5 million.

In the fourth quarter of 2019, GBP 30.5 (65.2) million was generated from operating activities. This variance is predominantly due to the decrease in profit from operations from the fourth quarter of 2018 of GBP 33.7 million.

Cash flows used in investing activities were GBP 11.3 (10.9) million for the fourth quarter of 2019.

Other significant cash movements during the quarter were the drawdowns of GBP 72.1 (nil) million and repayment of GBP 15.0 (29.9) million of borrowings, as well as the second instalment of the dividend of GBP 56.3 (nil) million which was paid out in November 2019.

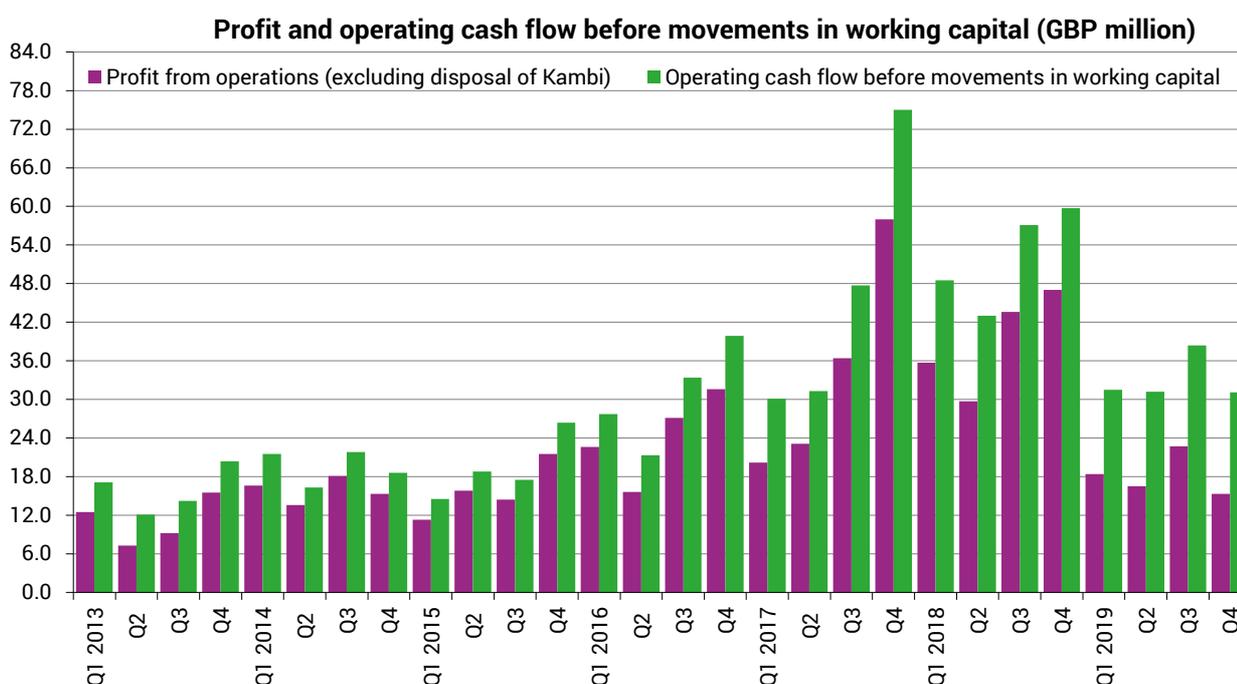
Free cash flow available for dividends for the fourth quarter of 2019 was GBP 19.0 (55.3) million and for the full year 2019 was GBP 50.4 (157.8) million. See page 11 for a reconciliation of free cash flow available for



dividends from net cash generated from operating activities. For 2018, the free cash flow available for dividends does not agree to that reported and used for the 2018 dividend of GBP 150.0 million due to the impact of the restatement noted above.

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. IFRS 16 has no impact on overall net cash flows.

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



## Dividend

Kindred's dividend policy is to pay a dividend and/or execute share purchases of up to 50 per cent of the Group's free cash flow available for dividends (defined as cash flow from operations, adjusted for movements in working capital, capital investments and tax payments). In addition to this, the Board can also decide to distribute one-off dividends or execute share purchases, where management and the Board consider that the Group has generated surplus cash that it does not require either to fund its normal operations, acquisitions or other corporate development projects.

For 2019, the Board propose a dividend of GBP 39.9 (112.5) million, which is 79 per cent of the Group's free cash flow available for dividends. In line with the previous year this is above 50 per cent, reflecting the solid capital structure of the Group. See next page for the calculation of the free cash flow available for the dividend.

The proposed dividend amounts to GBP 0.176 (0.496) per ordinary share, which is approximately SEK 2.20 (5.92) at the exchange rate 12.496 GBP/SEK at 11 February 2020. This will be paid to holders of ordinary shares and SDRs. No dividend will be paid on the shares/SDRs held by the company as a result of the share purchase programme. In order to facilitate more efficient cash management, the dividend is proposed to be paid in two equal instalments. If approved at the AGM, the record date for the first instalment will be 14 May 2020 and distributed on 19 May 2020, and for the second instalment the record date will be 16 November 2020 and distributed on 19 November 2020.



FREE CASH FLOW RECONCILIATION	Unaudited	Unaudited (Restated)	Unaudited	Audited (Restated)
GBP 'm	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
<b>Net cash generated from operating activities</b>	<b>30.5</b>	<b>65.2</b>	<b>120.3</b>	<b>206.4</b>
Add: Management incentive costs relating to acquisitions	0.0	0.3	0.2	0.9
Add: Personnel restructuring costs	0.7	-	1.7	-
Interest paid on lease liabilities	-0.3	-	-1.2	-
Purchases of property, plant and equipment	-2.9	-4.2	-15.6	-26.0
Proceeds from sale of property, plant and equipment	-	-	0.1	-
Development and acquisition costs of intangible assets	-6.9	-6.0	-41.4	-23.5
Repayment of lease liabilities	-2.1	-	-8.6	-
Adjust for: customer balance movement	-0.0	-	-5.1	-
<b>Free cash flow available for dividends</b>	<b>19.0</b>	<b>55.3</b>	<b>50.4</b>	<b>157.8</b>

## Employees

The Kindred Group had 1,666 (1,465) employees at 31 December 2019, compared with 1,667 employees at 30 September 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.

The performance of the Group in respect of the financial targets for the period 2017 - 2019 related to the 2017 Performance Share Plan grant will be assessed by the Board during 2020. Although financial targets for 2017 and 2018 were achieved, the significant under-performance in 2019 will impact this assessment.

## Brexit

On 31 January 2020, the UK left the European Union (EU). During 2019 Kindred undertook a comprehensive review of its operations to fully understand and mitigate any risks associated with a 'no-deal' Brexit. There is an insignificant impact on its current operational footprint, but Kindred will carefully monitor progress of trade deal negotiations between the UK and the EU during 2020.



## 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.

## 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, Markus Iwar, Bodenholm, 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](mailto:Nomination@kindredgroup.com).

## Annual Report and Sustainability Report

Kindred Group plc's Annual Report for the 2019 financial year will be available on its website, [www.kindredgroup.com](http://www.kindredgroup.com), from 9 March 2020. Kindred Group plc's Sustainability Report will also be available on the website from the same date.

## Forthcoming financial reporting timetable

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 year end 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, 12 February 2020

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

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

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 Q4 2019	Unaudited Q4 2018	Unaudited Full Year 2019	Audited Full Year 2018
<b>Continuing operations:</b>				
<b>Gross winnings revenue</b>	<b>236.2</b>	250.1	<b>912.8</b>	907.6
Betting duties	-55.7	-44.5	-204.3	-158.7
Marketing revenue share	-12.4	-14.0	-48.8	-50.0
Other cost of sales	-38.1	-39.1	-151.1	-146.7
<b>Cost of sales</b>	<b>-106.2</b>	<b>-97.6</b>	<b>-404.2</b>	<b>-355.4</b>
<b>Gross profit</b>	<b>130.0</b>	<b>152.5</b>	<b>508.6</b>	<b>552.2</b>
Marketing costs	-55.3	-51.2	-210.9	-189.0
Salaries <sup>1</sup>	-24.9	-22.6	-96.1	-84.0
Other operating expenses	-18.7	-20.5	-73.6	-74.3
Depreciation of property, plant and equipment	-3.7	-3.8	-14.9	-13.0
Depreciation of property, plant and equipment - right-of-use assets	-2.8	-	-10.1	-
Amortisation (excluding on assets arising on acquisition)	-6.8	-4.9	-24.3	-17.8
Total administrative expenses	-56.9	-51.8	-219.0	-189.1
<b>Underlying profit before items affecting comparability:</b>	<b>17.8</b>	<b>49.5</b>	<b>78.7</b>	<b>174.1</b>
Management incentive costs relating to acquisitions	-0.0	-0.3	-0.2	-0.9
Personnel restructuring costs <sup>1</sup>	-0.7	-	-1.7	-
Accelerated amortisation of acquired intangible assets	-2.0	-1.0	-2.0	-4.7
Amortisation of intangible assets that arose on acquisition	-1.4	-1.8	-5.9	-11.3
Foreign currency (loss)/gain on operating items	-0.4	0.6	2.0	-1.2
<b>Profit from operations</b>	<b>13.3</b>	<b>47.0</b>	<b>70.9</b>	<b>156.0</b>
Finance costs	-1.8	-1.3	-7.0	-4.6
Finance income	0.1	0.1	0.4	0.4
Foreign currency (loss)/gain on loan	2.0	-0.7	2.9	-2.0
Share of loss from associates	-0.3	-0.1	-0.1	-0.3
<b>Profit before tax</b>	<b>13.3</b>	<b>45.0</b>	<b>67.1</b>	<b>149.5</b>
Income tax expense	-2.4	-5.7	-10.5	-17.9
<b>Profit after tax</b>	<b>10.9</b>	<b>39.3</b>	<b>56.6</b>	<b>131.6</b>
Earnings per share (GBP)	<b>0.048</b>	0.173	<b>0.250</b>	0.580
Weighted average number of outstanding shares	<b>226,896,346</b>	226,586,762	<b>226,669,514</b>	227,043,853
Diluted earnings per share (GBP)	<b>0.048</b>	0.172	<b>0.248</b>	0.576
Weighted average number of fully diluted outstanding shares	<b>228,640,173</b>	227,899,179	<b>228,384,165</b>	228,348,308

CONSOLIDATED INCOME STATEMENT MEASURES				
<b>Profit from operations</b>	<b>13.3</b>	<b>47.0</b>	<b>70.9</b>	<b>156.0</b>
Depreciation of property, plant and equipment	3.7	3.8	14.9	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.8	-	10.1	-
Amortisation of intangible assets	10.2	7.7	32.2	33.8
<b>EBITDA</b>	<b>30.0</b>	<b>58.5</b>	<b>128.1</b>	<b>202.8</b>
Management incentive costs relating to acquisitions	0.0	0.3	0.2	0.9
Personnel restructuring costs	0.7	-	1.7	-
<b>Underlying EBITDA</b>	<b>30.7</b>	<b>58.8</b>	<b>130.0</b>	<b>203.7</b>
Gross winnings revenue	236.2	250.1	912.8	907.6
<b>EBITDA margin</b>	<b>13%</b>	<b>23%</b>	<b>14%</b>	<b>22%</b>

<sup>1</sup> The full year 2019 amount has been updated to include the reclassification of GBP 1.0 million of Personnel restructuring costs for the period from January to September 2019 from Salaries.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP 'm	Unaudited Q4 2019	Unaudited Q4 2018	Unaudited Full Year 2019	Audited Full Year 2018
<b>Profit after tax</b>	<b>10.9</b>	39.3	<b>56.6</b>	131.6
<b>Other comprehensive income</b>				
Currency translation adjustments taken to equity	-3.4	1.4	-8.6	-2.0
<b>Total comprehensive income for the period</b>	<b>7.5</b>	<b>40.7</b>	<b>48.0</b>	<b>129.6</b>



CONSOLIDATED BALANCE SHEET	Unaudited	Audited (Restated)
GBP 'm	31 Dec 2019	31 Dec 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	275.3	282.7
Other intangible assets	159.7	151.8
Investment in associates	1.8	1.9
Property, plant and equipment	36.6	37.4
Property, plant and equipment - right-of-use assets	64.1	-
Deferred tax assets	35.6	15.8
Convertible bond	6.5	6.8
Other non-current assets	2.2	3.2
	<b>581.8</b>	<b>499.6</b>
<b>Current assets</b>		
Trade and other receivables <sup>1</sup>	46.8	38.9
Taxation recoverable	41.5	43.0
Cash and cash equivalents <sup>1</sup>	137.8	174.3
	<b>226.1</b>	<b>256.2</b>
<b>Total assets</b>	<b>807.9</b>	<b>755.8</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	0.1	0.1
Share premium	81.5	81.5
Currency translation reserve	7.9	16.6
Reorganisation reserve	-42.9	-42.9
Retained earnings	187.4	236.7
<b>Total equity</b>	<b>234.0</b>	<b>292.0</b>
<b>Non-current liabilities</b>		
Borrowings	225.4	149.3
Lease liabilities	53.3	-
Deferred tax liabilities	18.0	4.3
	<b>296.7</b>	<b>153.6</b>
<b>Current liabilities</b>		
Borrowings	-	45.0
Lease liabilities	11.7	-
Trade and other payables	138.4	131.0
Customer balances	67.4	62.3
Deferred income	5.9	5.4
Tax liabilities	53.8	66.5
	<b>277.2</b>	<b>310.2</b>
<b>Total liabilities</b>	<b>573.9</b>	<b>463.8</b>
<b>Total equity and liabilities</b>	<b>807.9</b>	<b>755.8</b>

CONSOLIDATED BALANCE SHEET MEASURES		
Borrowings	225.4	194.3
Customer balances	67.4	62.3
Cash and cash equivalents <sup>1</sup>	-137.8	-174.3
<b>Less: Unrestricted cash</b>	<b>-70.4</b>	<b>-112.0</b>
<b>Net debt</b>	<b>155.0</b>	<b>82.3</b>

<sup>1</sup> At 31 December 2019 GBP 10.3 million of amounts held in trust in respect of customers have been reclassified from trade and other receivables to cash and cash equivalents (restricted cash) to better reflect the nature of the funds. The comparatives at 31 December 2018 have been restated, reclassifying GBP 14.0 million to cash and cash equivalents (restricted cash). For more information, see page 9.



CONSOLIDATED CASH FLOW STATEMENT	Unaudited	Unaudited (Restated)	Unaudited	Audited (Restated)
GBP 'm	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
<b>Operating activities</b>				
Profit from operations	13.3	47.0	70.9	156.0
Adjustments for:				
Depreciation of property, plant and equipment	3.7	3.8	14.9	13.0
Depreciation of property, plant and equipment - right-of-use assets	2.8	-	10.1	-
Amortisation of intangible assets	10.2	7.7	32.2	33.8
Loss on disposal of intangible assets	0.0	0.0	0.0	0.3
Loss on disposal of property, plant & equipment	0.0	0.1	0.1	0.5
FX (loss)/gain on dividend	-0.0	-	-0.4	0.3
Share-based payments	0.6	0.6	2.4	2.2
Equity settled employee benefit plan	0.5	0.5	2.0	2.2
<b>Operating cash flows before movements in working capital</b>	<b>31.1</b>	<b>59.7</b>	<b>132.2</b>	<b>208.3</b>
Decrease/(Increase) in trade and other receivables <sup>1</sup>	7.3	-4.5	-6.9	-8.3
Increase in trade and other payables, including customer balances	5.9	14.3	21.9	21.4
<b>Cash flows from operating activities</b>	<b>44.3</b>	<b>69.5</b>	<b>147.2</b>	<b>221.4</b>
Net income taxes paid	-13.8	-4.3	-26.9	-15.0
<b>Net cash generated from operating activities</b>	<b>30.5</b>	<b>65.2</b>	<b>120.3</b>	<b>206.4</b>
<b>Investing activities</b>				
Interest received	0.1	0.0	0.3	0.2
Interest paid	-1.3	-0.7	-6.6	-3.7
Interest paid on lease liabilities	-0.3	-	-1.2	-
Purchases of other non-current assets	-	-	-	-1.8
Purchases of property, plant and equipment	-2.9	-4.2	-15.6	-26.0
Proceeds from sale of property, plant and equipment	-	-	0.1	-
Development and acquisition costs of intangible assets	-6.9	-6.0	-41.4	-23.5
<b>Net cash used in investing activities</b>	<b>-11.3</b>	<b>-10.9</b>	<b>-64.4</b>	<b>-54.8</b>
<b>Financing activities</b>				
Repayment of lease liabilities	-2.1	-	-8.6	-
Dividend paid	-56.3	-	-112.5	-125.6
Treasury share purchase	-	-	-	-14.6
Proceeds from borrowings	72.1	-	130.0	112.0
Repayment of borrowings	-15.0	-29.9	-92.8	-115.5
<b>Net cash used in financing activities</b>	<b>-1.3</b>	<b>-29.9</b>	<b>-83.9</b>	<b>-143.7</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17.9</b>	<b>24.4</b>	<b>-28.0</b>	<b>7.9</b>
<b>Cash and cash equivalents at beginning of period<sup>1</sup></b>	<b>123.4</b>	<b>148.8</b>	<b>174.3</b>	<b>165.6</b>
Effect of foreign exchange rate changes	-3.5	1.1	-8.5	0.8
<b>Cash and cash equivalents at end of period<sup>1</sup></b>	<b>137.8</b>	<b>174.3</b>	<b>137.8</b>	<b>174.3</b>

<sup>1</sup> At 31 December 2019 GBP 10.3 million of amounts held in trust in respect of customer have been reclassified from trade and other receivables to cash and cash equivalents (restricted cash) to better reflect the nature of the funds. The relevant 2018 and 2019 balance sheet comparatives have also been restated, impacting both the movement in trade and other receivables and cash and cash equivalents for all periods presented in the consolidated cash flow above. For the fourth quarter of 2018 the impact on the above cash flows was an increase of GBP 2.5 million as a result of the restatement, and for the full year 2018 an increase of GBP 7.5 million. For more information, see page 9.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q4 2019	Unaudited Q4 2018	Unaudited Full Year 2019	Audited Full Year 2018
<b>Opening balance at beginning of period</b>	<b>281.7</b>	250.1	<b>292.0</b>	298.2
Adjustment on adoption of IFRS 16	-	-	2.1	-
<b>Restated opening balance at beginning of period</b>	<b>281.7</b>	<b>250.1</b>	<b>294.1</b>	<b>298.2</b>
<b>Comprehensive income</b>				
Profit for the period	10.9	39.3	56.6	131.6
Other comprehensive income:				
Translation adjustment	-3.4	1.4	-8.6	-2.0
	7.5	40.7	48.0	129.6
<b>Transactions with owners</b>				
Share awards - value of employee services	-1.4	0.6	0.4	0.7
Treasury share purchase	-	-	-	-14.6
Equity settled employee benefit plan	0.5	0.5	2.0	1.9
Disposal of treasury shares	2.0	0.1	2.0	1.8
Dividend paid	-56.3	-	-112.5	-125.6
	-55.2	1.2	-108.1	-135.8
<b>Closing balance at end of period</b>	<b>234.0</b>	<b>292.0</b>	<b>234.0</b>	<b>292.0</b>



## KEY RATIOS

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

	Unaudited Q4 2019	Unaudited Q4 2018	Unaudited Full Year 2019	Audited Full Year 2018
Operating margin (Profit from operations/gross winnings revenue for the period)	6%	19%	8%	17%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	1%	5%	7%	18%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	21%	69%	27%	53%
Equity:assets ratio	29%	39%	29%	39%
EBITDA margin	13%	23%	14%	22%
Unrestricted cash/EBITDA (rolling 12-month basis)*	0.550	0.552	0.550	0.552
Net debt/EBITDA (rolling 12-month basis)*	1.210	0.406	1.210	0.406
Employees at period end	1,666	1,465	1,666	1,465
Gross cash per share (GBP)* (cash at end of period/number of shares at end of period)	0.599	0.757	0.599	0.757
Net debt per share (GBP)* (total cash at period end less customer balances and borrowings/number of shares at end of period)	0.674	0.358	0.674	0.358
Operating cash flow before movements in working capital per share (GBP)	0.137	0.263	0.583	0.917
Earnings per share (GBP)	0.048	0.173	0.250	0.580
Diluted earnings per share (GBP)	0.048	0.172	0.248	0.576
Number of shares at period end <sup>1</sup>	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,864,044	231,434,971	231,864,044	231,434,971
Weighted average number of outstanding shares	226,896,346	226,586,762	226,669,514	227,043,853
Weighted average number of diluted outstanding shares	228,640,173	227,899,179	228,384,165	228,348,308

<sup>1</sup> As at 31 December 2019 the total issued shares were 230,126,200. Of these 3,226,521 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.

\* At 31 December 2019 GBP 10.3 million of amounts held in trust in respect of customers have been reclassified from trade and other receivables to cash and cash equivalents (restricted cash) to better reflect the nature of the funds. The comparatives at 31 December 2018 have been restated, reclassifying GBP 14.0 million to cash and cash equivalents (restricted cash). The metrics which include net debt, unrestricted cash or gross cash disclosed above have been impacted by this change for all comparative periods presented. For more information, see page 9.

Certain 2019 figures disclosed above have also been impacted by the adoption of IFRS 16 "Leases". Refer to pages 5 and 19 for further detail.



**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 December 2019. All recognised right-of-use assets relate to the Group's premises.

GBP 'm	Unaudited 31 Dec 2019	Unaudited 1 Jan 2019
<b>Right-of-use assets - premises</b>	<b>64.1</b>	<b>75.6</b>
<b>Lease liabilities:</b>	<b>65.0</b>	<b>75.0</b>
Of which are:		
Current lease liabilities	11.7	10.7
Non-current lease liabilities	53.3	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 Q4 2018	Audited Full Year 2018
<b>EBITDA as previously disclosed</b>	<b>58.5</b>	<b>202.8</b>
Add back rental costs previously recognised under IAS 17	1.2	4.6
<b>EBITDA recalculated under IFRS 16</b>	<b>59.7</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>24%</b>	<b>23%</b>
<b>Underlying EBITDA as previously disclosed</b>	<b>58.8</b>	<b>203.7</b>
Add back rental costs previously recognised under IAS 17	1.2	4.6
<b>Underlying EBITDA recalculated under IFRS 16</b>	<b>60.0</b>	<b>208.3</b>
<b>Operating cash flows before movements in working capital as previously disclosed</b>	<b>59.7</b>	<b>208.3</b>
Add back rental costs previously recognised under IAS 17	1.2	4.6
<b>Operating cash flows before movements in working capital recalculated under IFRS 16</b>	<b>60.9</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 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 FY	2018 FY
<b>Gross winnings revenue</b>										
Nordics	21.5	22.1	24.0	19.1	31.2	29.7	25.7	25.3	86.7	111.9
Western Europe	75.1	74.6	74.2	76.0	82.2	70.4	68.3	59.8	299.9	280.7
Central, Eastern and Southern Europe	9.8	10.0	8.8	8.3	8.7	9.5	7.9	8.0	36.9	34.1
Other	4.3	2.7	1.9	3.1	2.8	1.5	3.0	1.6	12.0	8.9
<b>Total</b>	<b>110.7</b>	<b>109.4</b>	<b>108.9</b>	<b>106.5</b>	<b>124.9</b>	<b>111.1</b>	<b>104.9</b>	<b>94.7</b>	<b>435.5</b>	<b>435.6</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	-31%	-26%	-7%	-25%	-9%	12%	26%	17%	-23%	9%
Western Europe	-9%	6%	9%	27%	10%	42%	52%	62%	7%	36%
Central, Eastern and Southern Europe	13%	5%	11%	4%	1%	46%	34%	60%	8%	31%
Other	54%	80%	-37%	94%	-15%	-50%	43%	-43%	35%	-21%
<b>Total</b>	<b>-11%</b>	<b>-2%</b>	<b>4%</b>	<b>12%</b>	<b>3%</b>	<b>30%</b>	<b>43%</b>	<b>43%</b>	<b>0%</b>	<b>26%</b>
<b>OTHER PRODUCTS - CASINO, POKER, &amp; OTHER GAMES BY REGION</b>	<b>2019 Q4</b>	<b>2019 Q3</b>	<b>2019 Q2</b>	<b>2019 Q1</b>	<b>2018 Q4</b>	<b>2018 Q3</b>	<b>2018 Q2</b>	<b>2018 Q1</b>	<b>2019 FY</b>	<b>2018 FY</b>
<b>Gross winnings revenue</b>										
Nordics	41.4	44.3	43.4	42.8	48.3	49.3	48.3	48.7	171.9	194.6
Western Europe	70.0	60.5	61.7	63.4	65.5	60.0	55.1	55.0	255.6	235.6
Central, Eastern and Southern Europe	11.7	10.0	10.4	10.0	10.3	8.2	8.1	7.5	42.1	34.1
Other	2.4	1.8	1.8	1.7	1.1	2.1	2.6	1.9	7.7	7.7
<b>Total</b>	<b>125.5</b>	<b>116.6</b>	<b>117.3</b>	<b>117.9</b>	<b>125.2</b>	<b>119.6</b>	<b>114.1</b>	<b>113.1</b>	<b>477.3</b>	<b>472.0</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	-14%	-10%	-10%	-12%	-2%	-1%	2%	2%	-12%	0%
Western Europe	7%	1%	12%	15%	17%	17%	41%	69%	8%	32%
Central, Eastern and Southern Europe	14%	22%	28%	33%	36%	41%	45%	23%	23%	36%
Other	118%	-14%	-31%	-11%	-73%	75%	86%	280%	0%	8%
<b>Total</b>	<b>0%</b>	<b>-3%</b>	<b>3%</b>	<b>4%</b>	<b>7%</b>	<b>11%</b>	<b>22%</b>	<b>30%</b>	<b>1%</b>	<b>17%</b>
<b>TOTAL BY REGION</b>	<b>2019 Q4</b>	<b>2019 Q3</b>	<b>2019 Q2</b>	<b>2019 Q1</b>	<b>2018 Q4</b>	<b>2018 Q3</b>	<b>2018 Q2</b>	<b>2018 Q1</b>	<b>2019 FY</b>	<b>2018 FY</b>
<b>Gross winnings revenue</b>										
Nordics	62.9	66.4	67.4	61.9	79.5	79.0	74.0	74.0	258.6	306.5
Western Europe	145.1	135.1	135.9	139.4	147.7	130.4	123.4	114.8	555.5	516.3
Central, Eastern and Southern Europe	21.5	20.0	19.2	18.3	19.0	17.7	16.0	15.5	79.0	68.2
Other	6.7	4.5	3.7	4.8	3.9	3.6	5.6	3.5	19.7	16.6
<b>Total</b>	<b>236.2</b>	<b>226.0</b>	<b>226.2</b>	<b>224.4</b>	<b>250.1</b>	<b>230.7</b>	<b>219.0</b>	<b>207.8</b>	<b>912.8</b>	<b>907.6</b>
<b>Share of total %</b>										
Nordics	27%	29%	30%	28%	32%	34%	34%	36%	28%	34%
Western Europe	61%	60%	60%	62%	59%	56%	56%	55%	61%	57%
Central, Eastern and Southern Europe	9%	9%	8%	8%	7%	8%	7%	7%	9%	7%
Other	3%	2%	2%	2%	2%	2%	3%	2%	2%	2%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	-21%	-16%	-9%	-16%	-5%	3%	9%	7%	-16%	3%
Western Europe	-2%	4%	10%	21%	13%	29%	47%	65%	8%	34%
Central, Eastern and Southern Europe	13%	13%	20%	18%	17%	44%	39%	40%	16%	33%
Other	72%	25%	-34%	37%	-47%	-14%	60%	6%	19%	-9%
<b>Total</b>	<b>-6%</b>	<b>-2%</b>	<b>3%</b>	<b>8%</b>	<b>5%</b>	<b>19%</b>	<b>31%</b>	<b>36%</b>	<b>1%</b>	<b>21%</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 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 FY	2018 FY
<b>Gross winnings revenue</b>										
Sports Betting	110.7	109.4	108.9	106.5	124.9	111.1	104.9	94.7	435.5	435.6
Casino & Games	112.3	104.7	105.6	106.7	114.7	109.9	104.0	103.2	429.3	431.8
Poker	5.8	5.2	4.6	5.7	4.9	4.4	4.0	4.6	21.3	17.9
Other	7.4	6.7	7.1	5.5	5.6	5.3	6.1	5.3	26.7	22.3
<b>Total</b>	<b>236.2</b>	<b>226.0</b>	<b>226.2</b>	<b>224.4</b>	<b>250.1</b>	<b>230.7</b>	<b>219.0</b>	<b>207.8</b>	<b>912.8</b>	<b>907.6</b>
<b>Share of total %</b>										
Sports Betting	47%	48%	48%	47%	50%	48%	48%	46%	48%	48%
Casino & Games	48%	47%	47%	48%	46%	48%	47%	50%	47%	48%
Poker	2%	2%	2%	3%	2%	2%	2%	2%	2%	2%
Other	3%	3%	3%	2%	2%	2%	3%	2%	3%	2%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Sports Betting	-11%	-2%	4%	12%	3%	30%	43%	43%	0%	26%
Casino & Games	-2%	-5%	2%	3%	8%	11%	23%	33%	-1%	18%
Poker	18%	18%	15%	24%	7%	47%	3%	24%	19%	18%
Other	32%	26%	16%	4%	-5%	-5%	17%	-7%	20%	0%

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

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2019 FY	2018 FY
<b>Sports Betting Stakes</b>	<b>1,364.3</b>	<b>1,218.1</b>	<b>1,256.3</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>5,179.5</b>	<b>5,064.3</b>
<i>Sports Betting Gross winnings revenue:</i>										
<b>Live Betting</b>	<b>59.3</b>	<b>62.5</b>	<b>64.2</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>250.5</b>
Live Betting margin	8.1%	8.4%	8.8%	8.3%	8.4%	8.6%	7.8%	8.1%	8.5%	8.2%
Live Betting share	45.2%	49.7%	50.2%	49.7%	44.4%	55.2%	46.5%	50.1%	48.7%	48.9%
<b>Pre-game Betting</b>	<b>71.8</b>	<b>63.2</b>	<b>63.7</b>	<b>65.2</b>	<b>81.0</b>	<b>58.5</b>	<b>66.9</b>	<b>55.5</b>	<b>263.9</b>	<b>261.9</b>
Pre-game Betting margin	11.3%	13.4%	12.0%	11.5%	14.4%	13.3%	13.2%	12.1%	12.3%	12.9%
Pre-game Betting share	54.8%	50.3%	49.8%	50.3%	55.6%	44.8%	53.5%	49.9%	51.3%	51.1%
<b>Total before Free Bets</b>	<b>131.1</b>	<b>125.7</b>	<b>127.9</b>	<b>129.7</b>	<b>145.6</b>	<b>130.5</b>	<b>125.1</b>	<b>111.2</b>	<b>514.4</b>	<b>512.4</b>
Sports Betting margin (before FB)	9.6%	10.3%	10.2%	9.7%	11.0%	9.9%	9.8%	9.7%	9.9%	10.1%
<b>Free Bets</b>	<b>-20.4</b>	<b>-16.3</b>	<b>-19.0</b>	<b>-23.2</b>	<b>-20.7</b>	<b>-19.4</b>	<b>-20.2</b>	<b>-16.5</b>	<b>-78.9</b>	<b>-76.8</b>
<b>Total after Free Bets</b>	<b>110.7</b>	<b>109.4</b>	<b>108.9</b>	<b>106.5</b>	<b>124.9</b>	<b>111.1</b>	<b>104.9</b>	<b>94.7</b>	<b>435.5</b>	<b>435.6</b>
Sports Betting margin (after FB)	8.1%	9.0%	8.7%	7.9%	9.4%	8.5%	8.2%	8.2%	8.4%	8.6%

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

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

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

