

Our “pure digital” multi-strategy creates stability during the COVID-19 pandemic



The “pure digital” multi-strategy consists of ...

- ▶ **Multi-product** – Sports Betting, Racing, Online Casino & Games, Bingo and Poker
- ▶ **Multi-brand** – Strong brands (e.g. Unibet, Maria Casino, 32Red) with high customer loyalty in multiple product categories
- ▶ **Multi-geography** – Geographical diversification, targeting regulated markets

The flexible multi-strategy has made us more resilient to COVID-19 and its side effects ...

- ▶ Poker, Casino & Gaming and other products compensated for the temporary loss in the Sportsbook
- ▶ Return of sport provides a solid base for future growth
- ▶ Our geographical and product diversification have made us less vulnerable for temporary regulations in relation to COVID-19 (e.g. in Sweden)

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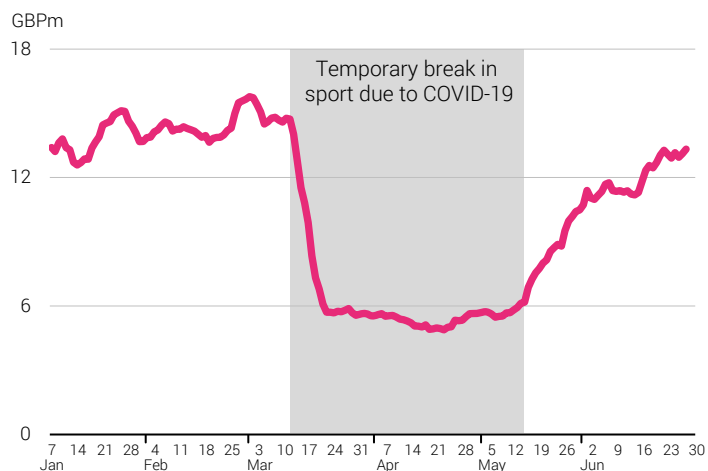
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Sport is Back!

- Major sports leagues have returned faster than expected
- We are currently seeing strong pent-up demand for sports and entertainment from our customers
- Average daily sportsbook turnover has increased rapidly since mid-May and is currently close to pre-COVID 19 levels

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Rolling 7 days average sportsbook turnover



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The return of more major sports events is around the corner



Football	Basketball	Tennis	Cycling	Golf
UEFA Champions League August 7-23	NBA July 31	U.S Open August 31	Tour de France August 29	U.S Open September 17-20
UEFA Europa League August 5-21		French Open Sep 20-Oct 4		

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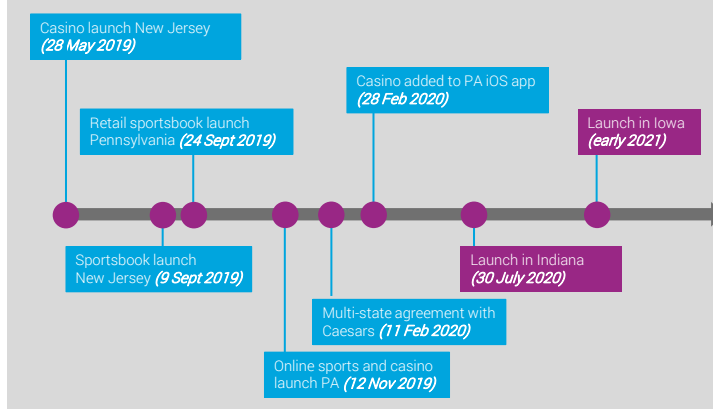
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The US is major growth opportunity and we are still in the beginning of our journey



- PASPA Repeal: May 2018 (allowing each State to regulate sports betting at their will)
- During the past 2 years, 21 States have followed Nevada and regulated sports betting
- Only 6 states have so far regulated casino
- Kindred currently live in NJ and PA. The combined online market size (GGR) for the two states is expected to reach over USD 1.5bn already in 2020
- We expect to launch in Indiana on 30 July 2020 in time for NHL and NBA play offs
- Ambition to be live in Iowa in early 2021 and in total 5 states by end of 2021 providing sustainable legislation

Key milestones for Kindred US



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Early results in the U.S have been very encouraging

- We have continued to grow our market presence in the U.S and under the prevailing market conditions, Kindred is benefiting from having both sports and casino licenses
- GWR increased 131% from Q1
- After less than a year of operations, the US already accounted for more than 2.5% of the Group's GWR and this share is expected to accelerate in coming quarters, especially as further states go live.
- In Q2 2020 Kindred's market share in Pennsylvania was around 4.5%
- The average daily GWR for the period 1- 19 July 2020 increased by 32 % compared to the full second quarter



U.S operations Q2 2020

GBPm	
GWR	6.0
CoS	-5.2
Marketing	-1.8
Admin expenses	-1.1
EBITDA effect	-2.1

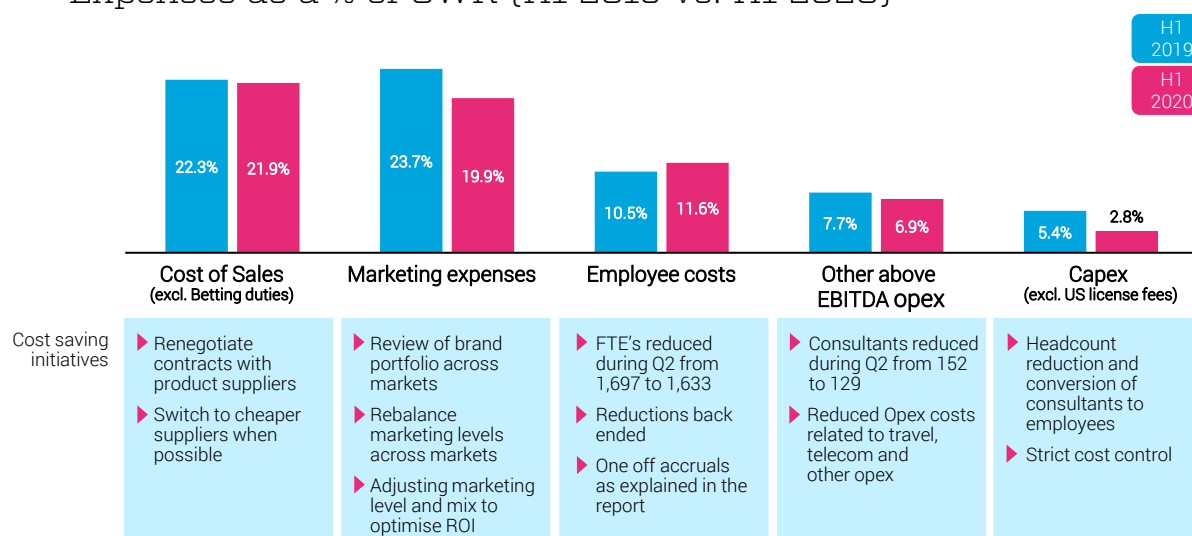
U.S GWR development by quarter

GBPm	
Q2 2020	6.0
Q1 2020	2.6
Q4 2019	1.7
Q3 2019	0
Q2 2019	0

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Further improvements of cost control – Expenses as a % of GWR (H1 2019 vs. H1 2020)

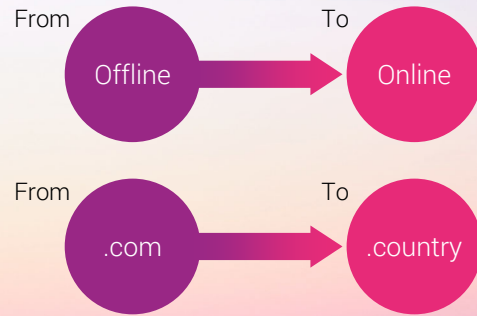


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We remain
focused on our
long-term journey

Main market drivers



Sustainable growth in
re-regulated markets

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We still believe that a regulated eco-system
is the right way to go for sustainable growth

Advantages with a regulated eco-system ...

- ▶ Market stability & access
- ▶ Predictability and lower risks
- ▶ High consumer protection
- ▶ Reduced competition
- ▶ Less litigation
- ▶ Brand recognition & contribution to society

Key success factors for a well-functioning eco-system ...

- ▶ A fully open market
- ▶ A clear sectoral framework (not only including gambling operators)
- ▶ Fair competition
- ▶ No significant product restrictions
- ▶ Sustainable tax rates
- ▶ Strong user experience

Consequences of flawed regulation (e.g. low channelisation) ...

- ▶ The market becomes less attractive for responsible gambling operators
- ▶ Customers will play on illegal offshore operators' websites, without consumer protection
- ▶ Less investment into sports and society and lower tax income

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We propose the following measures for a sustainable gambling market



Instant measures

- ▶ Expand licensing requirements across value chain
- ▶ Launch information campaign about gambling
- ▶ View gambling operators' data as a part of the solution
- ▶ Extend regulators' mandate

Long term measures

- ▶ Gambling Authorities collect and distribute GDPR compliant data between operators
- ▶ Risk ratings for players, not products – and with support from actual data
- ▶ Extend the Duty of Care to more industries

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Financial result

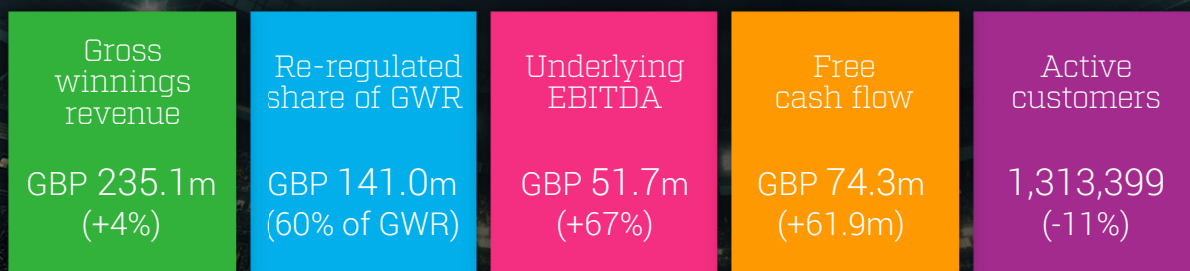


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Q2 2020

Key Report Highlights

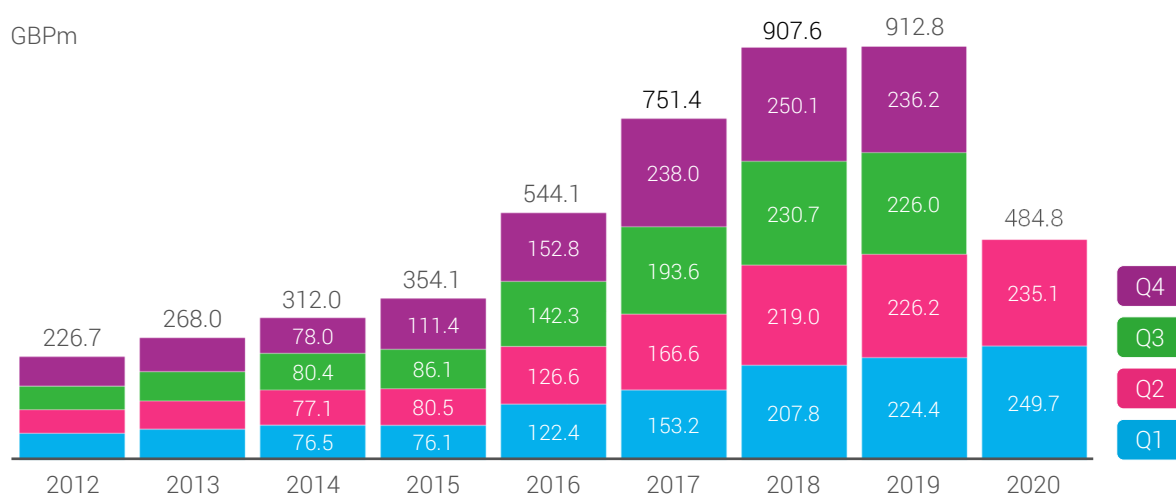


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Gross winnings revenue

GBPm



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Geographic growth

– Key Report Highlights Q2 2020 vs Q2 2019



	GWR as reported in GBP	Organic GWR in constant currency
Nordics	-11%	-9%
Western Europe	4%	3%
CES	11%	14%

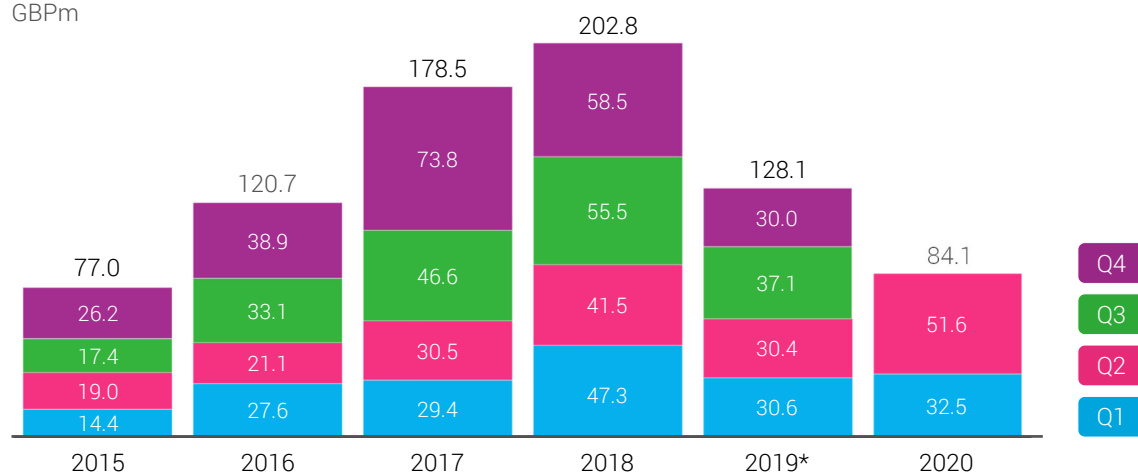
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EBITDA



GBPm



*Since 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to comparative years.

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Other Costs analysis

Excl. Non-recurring items



GBPm	2016 FY	2017 FY	2018 FY	2019* FY	2020 Q2
Reported Other Costs	69.4	109.1	122.4	126.9	28.5
Depreciation & Amortisation	-23.8	-42.6	-46.8	-55.2	-14.2
FX loss/gain on Opex	-0.6	-1.5	-1.2	2.0	1.8
Other Costs post D&A and FX	45.0	65.0	74.4	73.7	16.1

Share of GWR (as reported)	8%	9%	8%	8%	7%
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Q2 2020 P&L FX impact v Q2 2019



Avg rate	Q2 2019	Q2 2020	Movement
AUD	1.836	1.893	-3.1%
DKK	8.542	8.412	1.5%
EUR	1.144	1.128	1.4%
NOK	11.113	12.430	-11.9%
SEK	12.144	12.025	1.0%
USD	1.286	1.241	3.5%

	GBPm
Gross winnings revenue	-0.5
Cost of sales / Opex	0.1
FX gain on operating items	1.8
EBITDA FX impact Q2 2020	1.4
FX loss on borrowings	-5.1
Other items below EBITDA	0.0
Profit before tax impact Q2 2020	-3.7

Weighted average impact of FX rates on GWR was less than 1%

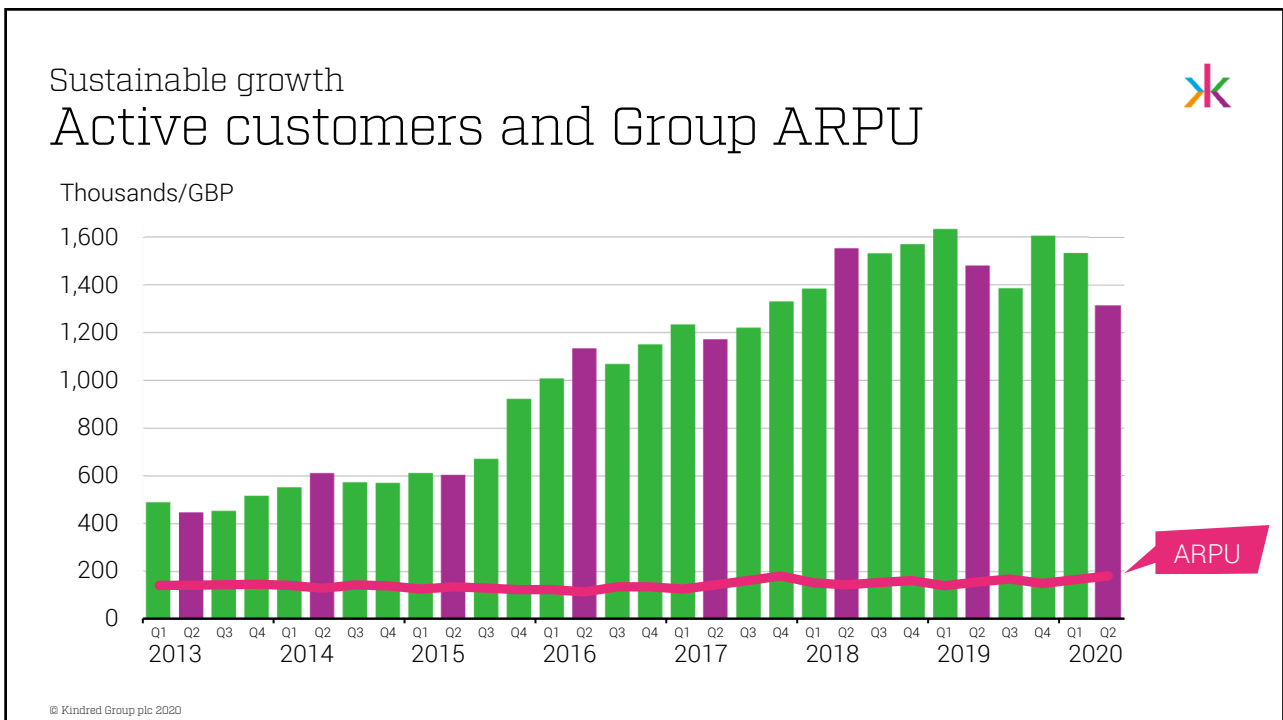
Includes realised FX losses of 1.7m

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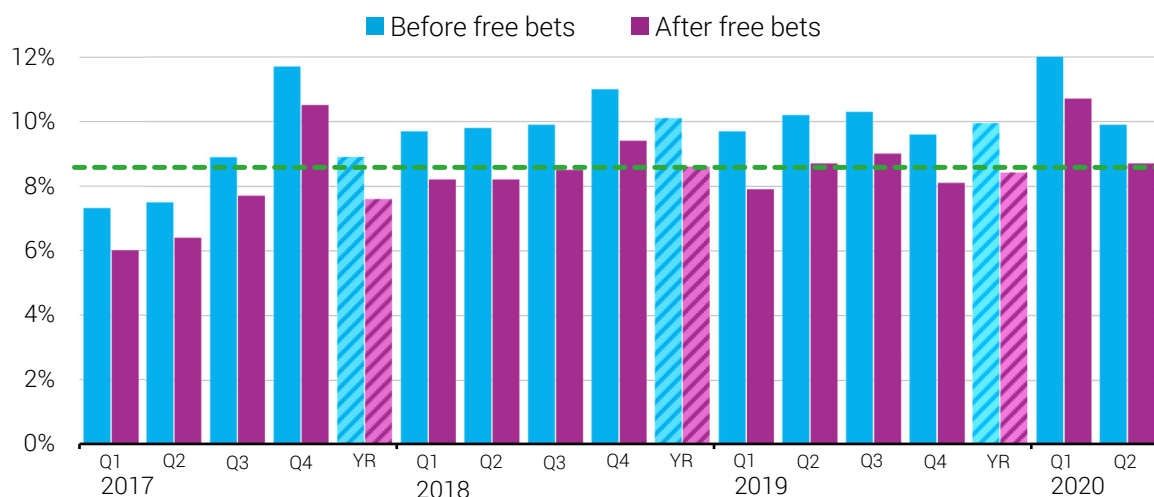
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Sports betting gross margin

Combined

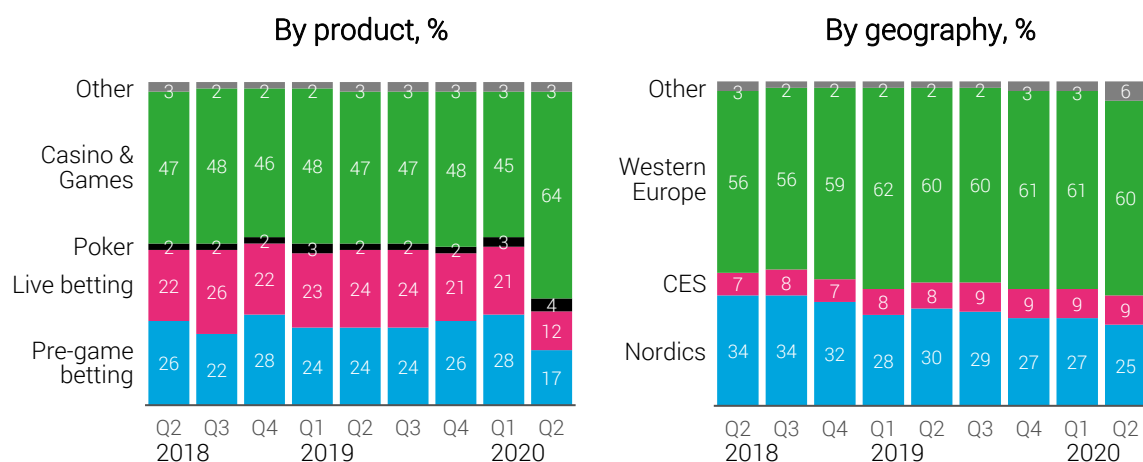


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Product & geographic balance

Gross winnings revenue over time



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Sustainability

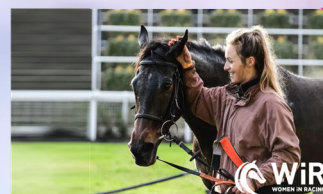


Kindred and EFDN
team up to battle
match-fixing



Staying one step
ahead of hackers
with public bug
bounty programme

Mika Häkkinen
leads new Unibet
campaign on
responsible gambling



Supporting women
in the horse
racing industry

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Summary




- Temporary impact from COVID-19 but we remain resilient
- Sports returned faster than expected
- Strong progress in the U.S
- Continued focus on cost control
- Operators, authorities and regulators need to cooperate closely for a sustainable gambling market
- Three years of sport coming!

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Contact





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Calendar

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6 November 2020
Q3 will be published at 7.30 CET
- 

10 February 2021
Q4 will be published at 7.30 CET
- 

28 April 2021
Q1 will be published at 7.30 CET
- 

28 July 2021
Q2 will be published at 7.30 CET
- 

27 October 2021
Q3 will be published at 7.30 CET

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