

## Kindred Group plc

Interim report January – September 2020 (unaudited)

### Third Quarter 2020

- Gross winnings revenue amounted to GBP 280.7 (226.0) million, an increase of 24 per cent.
- Underlying EBITDA was GBP 74.6 (37.3) million.
- Profit before tax amounted to GBP 60.7 (21.4) million.
- Profit after tax amounted to GBP 52.5 (18.1) million.
- Earnings per share were GBP 0.231 (0.080).
- Free cash flow amounted to GBP 59.7 (24.9) million.
- Net debt position of GBP 2.2 million (improved from GBP 61.0 million at the end of the second quarter).
- Number of active customers was 1,650,153 (1,384,416).

### January - September 2020

- Gross winnings revenue amounted to GBP 765.5 (676.6) million, an increase of 13 per cent.
- Underlying EBITDA was GBP 168.8 (99.3) million.
- Profit before tax amounted to GBP 94.4 (53.8) million.
- Profit after tax amounted to GBP 80.3 (45.7) million.
- Earnings per share were GBP 0.354 (0.202).
- Free cash flow amounted to GBP 156.3 (30.2) million.

## CEO comment

### “Strong growth in regulated markets combined with continued cost focus resulted in a strong quarter”

Reflecting on the past six months, it is evident that societies across the world continue to struggle as a result of the COVID-19 pandemic. Despite these challenges, and thanks to our diverse business model, I am pleased that we can report sustained momentum across our markets with Gross winnings revenue of GBP 280.7 million, a 24 per cent increase compared to the same period last year, and an all-time high in active customers.

#### Strong sportsbook activity

The finalisation of the previous season’s sports leagues combined with the start of the new season resulted in a strong sportsbook activity, albeit with a slightly lower sportsbook margin of just over 8 per cent for the quarter. It is also promising that the strong activity levels for other products have sustained. With the return of major sports leagues across the world, and the ongoing shift from offline to online, our active customer base grew by 19 per cent compared to the same period last year. Other contributing factors are the great efforts made to enhance customer experience and high customer satisfaction scores, both important as we expand our locally regulated footprint.

#### Locally regulated markets contributed to strong growth

During the quarter, 61 per cent of our revenues were derived from locally regulated markets. Entering these markets often has a short-term negative impact on our business, but we know that, if managed well, this is temporary and that profitability will be restored over time. During the quarter, our locally regulated markets achieved annual growth in Gross winnings revenue of 31 per cent, which I am extremely pleased about. Our continued focus on costs resulted in a total Group underlying EBITDA of GBP 74.6 million for the quarter. Due to the return of sports, marketing levels were relatively low at the beginning of the quarter but returned to slightly below the long-term average towards the second half of the quarter.

#### Encouraging developments in the US

The US is a key investment market where our team have been working hard to go live in our third state, Indiana, during the quarter. We are now pushing forward to launch in Illinois and Iowa in 2021, along with more states in the pipeline. It is encouraging to see the continued strong growth in the US, with the market share in Pennsylvania reaching above 5 per cent during the third quarter. With New Jersey and Indiana also growing steadily, I expect the US to become one of Kindred’s largest markets during the next couple of years. As with all market entries, the initial investment phase is focused on building our customer base and, as a result, the US market has seen revenue negatively impacted by big bonus campaigns during the second half of the quarter, but still grew 22 per cent sequentially.

#### Our dedicated team continue to make a difference

Throughout the quarter we have continued to launch several exciting initiatives relating to our sustainability activities, and just recently hosted the Sustainable Gambling Conference online with almost 700 registered attendees. As an organisation we continue to endure the pandemic and our dedicated teams are doing a terrific job as they run the business from their homes. The ability of the entire Kindred team to adapt to these new circumstances, and turn it into a strength, demonstrates our progressive attitude as a company. I am both proud and pleased to see how well we have all managed to deal with this difficult situation.

#### Trading update

For the period 1 October to 3 November 2020 average Gross winnings revenue in GBP was 42 per cent higher (38 per cent in constant currency) and active customers was 18 per cent higher than for the same period last year. We saw continued strong activity in sportsbook and casino and the sports betting margin was approximately 2 percentage points higher than in 2019.

**Henrik Tjärnström** CEO of Kindred Group

**Q3 AND JANUARY TO SEPTEMBER SUMMARY**

This table and the contents of this announcement are unaudited.

GBP	Q3		Jan - Sep		Full Year	Rolling
	2020	2019	2020	2019	2019	12 months <sup>5</sup>
	GBP 'm	(Restated) GBP 'm	GBP 'm	(Restated) GBP 'm	GBP 'm	GBP 'm
Gross winnings revenue	280.7	226.0	765.5	676.6	912.8	1,001.7
EBITDA <sup>1</sup>	74.2	37.1	158.3	98.1	128.1	188.3
Underlying EBITDA <sup>2</sup>	74.6	37.3	168.8	99.3	130.0	199.5
Profit before tax	60.7	21.4	94.4	53.8	67.1	107.7
Profit after tax	52.5	18.1	80.3	45.7	56.6	91.2
Unrestricted cash <sup>3*</sup>	132.6	56.1	132.6	56.1	70.4	
Borrowings	134.8	172.2	134.8	172.2	225.4	
Net debt <sup>4*</sup>	2.2	116.1	2.2	116.1	155.0	
	GBP	GBP	GBP	GBP	GBP	GBP
EBITDA <sup>1</sup> per share	0.327	0.164	0.697	0.433	0.565	0.830
Underlying EBITDA <sup>2</sup> per share	0.328	0.165	0.744	0.438	0.574	0.879
Earnings per share	0.231	0.080	0.354	0.202	0.250	0.402
Unrestricted cash <sup>3</sup> per share*	0.576	0.244	0.576	0.244	0.306	
Net debt <sup>4</sup> per share*	0.010	0.505	0.010	0.505	0.674	
<b>SEK</b>	<b>Q3</b>		<b>Jan - Sep</b>		<b>Full Year</b>	<b>Rolling</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>12 months<sup>5</sup></b>
	SEK 'm	(Restated) SEK 'm	SEK 'm	(Restated) SEK 'm	SEK 'm	SEK 'm
Gross winnings revenue	3,214.6	2,671.5	9,147.0	8,097.0	11,017.1	12,067.0
EBITDA <sup>1</sup>	849.7	438.6	1,891.5	1,174.0	1,546.1	2,263.7
Underlying EBITDA <sup>2</sup>	854.3	440.9	2,017.0	1,188.3	1,569.0	2,397.7
Profit before tax	695.1	253.0	1,128.0	643.8	809.9	1,294.0
Profit after tax	601.2	214.0	959.5	546.9	683.1	1,095.7
Unrestricted cash <sup>3*</sup>	1,536.4	677.5	1,536.4	677.5	864.4	
Borrowings	1,561.9	2,079.5	1,561.9	2,079.5	2,767.7	
Net debt <sup>4*</sup>	25.5	1,402.0	25.5	1,402.0	1,903.2	
	SEK	SEK	SEK	SEK	SEK	SEK
EBITDA <sup>1</sup> per share	3.741	1.935	8.333	5.181	6.821	9.973
Underlying EBITDA <sup>2</sup> per share	3.761	1.946	8.886	5.244	6.922	10.564
Earnings per share	2.647	0.944	4.227	2.414	3.014	4.827
Unrestricted cash <sup>3</sup> per share*	6.676	2.944	6.676	2.944	3.756	
Net debt <sup>4</sup> per share*	0.111	6.092	0.111	6.092	8.270	
	No.	No.	No.	No.	No.	No.
Active customers	1,650,153	1,384,416				
Registered customers (million)	29.1	26.7	29.1	26.7	27.3	

Currency rate Q3 20 average: 1 GBP = 11.452 SEK, Q3 19 average: 1 GBP = 11.821 SEK, 2020 YTD average: 1 GBP = 11.949 SEK, 2019 YTD average: 1 GBP = 11.967 SEK, FY 19 average: 1 GBP = 12.070 SEK, 30 September 2020: 1 GBP = 11.587 SEK, 30 September 2019: 1 GBP = 12.076 SEK, 31 December 2019: 1 GBP = 12.279 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.

\* From and inclusive of 31 December 2019, amounts held in trust in respect of customers are now recognised within cash and cash equivalents (restricted cash) instead of trade and other receivables to better reflect the nature of the funds. The comparatives for 30 September 2019 have therefore been restated, reclassifying GBP 11.8 million to cash and cash equivalents (restricted cash). The metrics which include net debt and unrestricted cash disclosed above for the third quarter of 2019 have been impacted by this change. For more information, see page 10.

#### 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, personnel restructuring costs and disputed regulatory sanction.

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

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

<sup>5</sup> Rolling 12 months consists of the 12 months ended 30 September 2020.

Refer to pages 15 and 17 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 third quarter of 2020

On 1 July 2020, Kindred launched the pay and play product Otto Kasino in Finland.

On 30 July 2020, Kindred continued its US expansion by entering its third state, Indiana, following successful launches in New Jersey and Pennsylvania. The Group now offers customers in Indiana a first-class sportsbook experience online.

On 8 September 2020, Kindred entered into an agreement with Penn National Gaming that will provide market access in Illinois and Ohio to operate both online sports betting and online gaming, pending applicable laws being passed and both parties obtaining all necessary gaming licenses.

### Significant events after the period end

On 18 October 2020, Kindred applied for an online-only (sports) betting license in Virginia.

On 29 October 2020, Kindred announced an agreement to acquire 100 per cent of the shares in Blankenberge Casino-Kursaal (Blancas) NV which operates Casino Blankeberge in Belgium, from The Rank Group Plc at a valuation of GBP 25.0 million on a cash free and debt free basis. The acquisition will solidify Kindred's long-term operations and commitments in Belgium and will allow Kindred to continue to provide an attractive and broad offering to Belgian customers. The acquisition is subject to customary regulatory approvals and is expected to be completed in the fourth quarter of 2020.

### Market update

Despite the existence of COVID-19, Kindred has seen strong momentum across many of its key markets. Growth was particularly strong in locally regulated markets, as the Group continues to deliver on its strategic aim of sustainable growth. These markets experienced 31 per cent growth in Gross winnings revenue compared to the third quarter of 2019 as well as substantial improvements in EBITDA in 2020.

The strong development in locally regulated markets was supported by strong growth in the UK market, most notably in horse racing where Kindred's proprietary racing product continued to perform well. France, which was particularly negatively impacted during the second quarter, has now returned to pre-COVID sports betting levels and, despite the new deposit limits, Sweden has also held up well during the third quarter. The Group operates in a dynamic regulatory environment and has a proactive approach to regulatory changes, always striving to be both compliant and sustainable.

The US market is one of the Group's key growth markets. During the third quarter Kindred launched the Unibet brand in Indiana, its third US state, as part of its partnership with Caesars Interactive Entertainment. Moreover, Kindred also announced a multi-state agreement with Penn National Gaming which will provide the Group with market access in Illinois and Ohio, allowing it to operate both online sports betting and online gaming. The agreement is subject to the passing of applicable laws. Kindred therefore intends to further expand its US footprint in 2021, with the planned launch of the Unibet brand in Illinois at the beginning of the year and with launch in Iowa to follow shortly after, taking the total to at least five states.

Kindred's strategy in the US remains focused on selective and organic expansion. The US roadmap and state selection is determined through focus on a mix of market size, product scope and regional scale, where the immediate focus for Kindred remains expansion in the Northeast and Midwest regions.

Gross winnings revenue for the US market amounted to GBP 7.3 million in the third quarter, an increase of 22 per cent from the second quarter of 2020. This was driven by a 45 per cent increase in active customers from the second quarter, although conversely impacted by significant bonus spend in the latter part of the quarter as focus remains on building up the customer base. The negative impact on the underlying EBITDA for the quarter was GBP 3.0 million which also includes GBP 2.6 million of marketing. The average daily Gross winnings revenue for the period 1 October - 3 November 2020 decreased by 8 per cent compared to the daily average for





## Product portfolio

### 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.

During the third quarter most major football leagues, including the Bundesliga, Serie A, La Liga and the Premier League, completed their seasons, following the delays caused by COVID-19. The Champions League and Europa League also resumed with some record-breaking metrics. The Champions League final between Paris Saint-Germain and Bayern Munich was the top turnover event of 2020 and the seventh largest of all time for Kindred, whilst the Europa League final was the second largest turnover event of 2020. In September, all these leagues then started their new seasons, alongside international action in the Nations League, meaning the football calendar had largely returned to normality.

In other sports, activity levels hit record highs with the US Open tennis, NBA playoffs, the NFL regular season and the Tour de France all taking place in the quarter, and the resumption of the Unibet Premier League of Darts.

Horse racing on Kindred's proprietary racing product continued to deliver growth and all-time highs in the key markets where it has been launched, with the platform and product ready and able to be launched into other markets as required.

The busy sports calendar has resulted in a continuous stream of sports events during the third quarter that has supported the strong sportsbook activity and, as seen below, the average daily sportsbook turnover continued to grow steadily throughout the quarter.



The majority of the Kindred Group's sports betting 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 7 for more information about the margin.



## Casino & games

Kindred's casino product includes a wide range of suppliers and a diverse content library. The aim is to provide relevant content for different markets and brands through using off-the-shelf content as well as the Group's own exclusive titles. During the quarter, Kindred has continued to release its own exclusive content whilst further developing the personalisation capabilities. The pay and play product, 'Otto Kasino', was also launched in Finland.

Casino and games continued to attract significant interest from customers during the quarter, with the activity levels remaining high despite the return of sports. This resulted in a 38 per cent growth in Gross winnings revenue compared to the third quarter of 2019. The growth was supported by the accelerated migration from offline to online due to COVID-19 and furthermore by the growing casino revenue contributions from both New Jersey and Pennsylvania in the US.

## Poker

As expected, poker activity has decreased during the quarter due to the remarkable performance achieved during the COVID-19 lockdowns. Towards the end of the quarter, the product offering and gaming experience has been improved through the release of a completely restyled poker lobby on both desktop and mobile.

## Bingo

During the quarter, the product offering has been improved with the release of a new and innovative game, 'HexaBingo'. The wider bingo landscape can often lack new concepts and this game solves many of the common problems that bingo customer can face such as the limited number of winning players.

## Sustainability update

The Group has set the bar high in regards to sustainability, working towards achieving the visions for its five priority areas by setting long-term ambitions and shorter-term commitments.

The key deliveries of Kindred's sustainability programme in the third quarter of 2020 included:

- Kindred once again, through its Unibet brand, collaborated with ice hockey star Henrik Lundqvist and launched the 30/30 Foundation, awarding SEK 30,000 to 30 different sports clubs in order to promote fair sports and inclusion.
- Kindred launched an internal network and engagement campaign called Kindred Hive to support employees during the COVID-19 lockdown.
- Two research papers, conducted by Kindred's inhouse research team in collaboration with Professor Mark Griffiths, have been finalised and are awaiting publication. One of them looks at how consumer protection is presented through analysing different operators, the other looks at the reliability of using voluntary self-exclusion as a proxy measure of problem gambling.
- An updated set of detection criteria as part of PS-EDS have now been finalised and Kindred has started looking at innovative ways of handling interventions that are also scalable and hopefully more reliable.
- Kindred launched a BugBounty project together with HackerOne where hackers, against a bounty, have been asked to identify vulnerabilities on Kindred's platform. The vulnerabilities have then been resolved.
- During the third quarter, Kindred has initiated a project together with Zafty Intelligence to develop a self-control app which uses AI technology to help players monitor their gambling behaviour on individual devices.
- Kindred has set Science Based Targets for its emissions and as a result are contributing to the Paris Agreement as well as the IPCC two-degree target.

Read more about the Group's ambitions in the Kindred Group 2019 Sustainability Report which is available at [www.kindredgroup.com/sustainability](http://www.kindredgroup.com/sustainability).



## Financial review

### Gross winnings revenue

Gross winnings revenue for sports betting amounted to GBP 120.9 (109.4) million for the third quarter of 2020. For the period January to September 2020, Gross winnings revenue for sports betting amounted to GBP 310.9 (324.8) million. The Gross winnings revenue growth in the third quarter of 2020 is driven by increased activity, with sports betting stakes 21 per cent higher than the third quarter of 2019 and totalling GBP 1,476.1 (1,218.1) million.

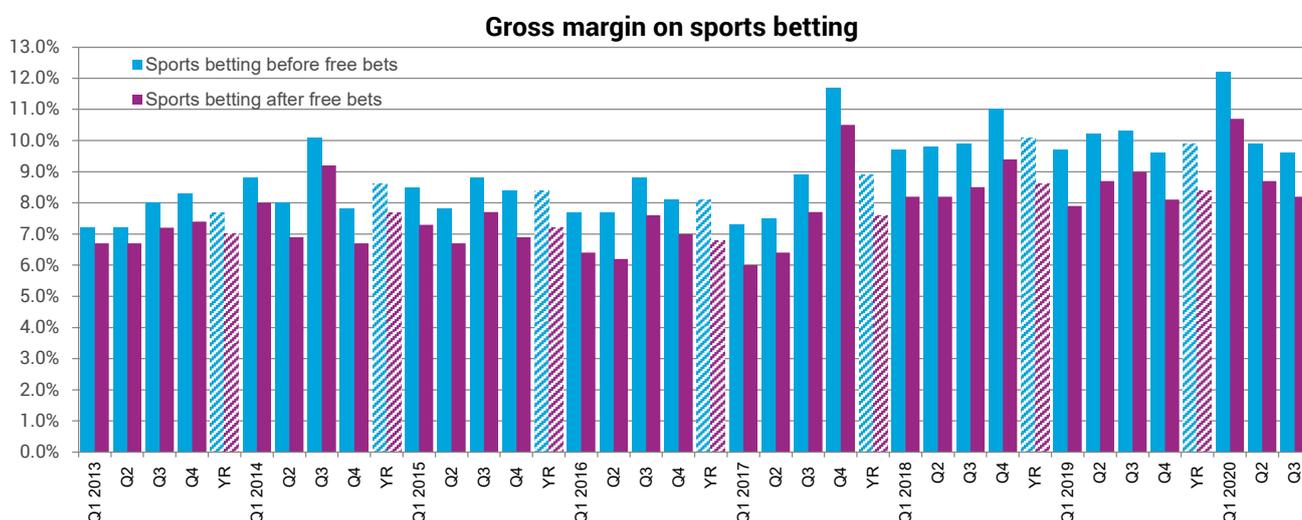
In the third quarter of 2020, live betting accounted for 52.9 (57.9) per cent of turnover on sports betting and 50.2 (49.7) per cent of Gross winnings revenue on sports betting.

Gross winnings revenue for other products amounted to GBP 159.8 (116.6) million for the third quarter of 2020. For the period January to September 2020, Gross winnings revenue for other products amounted to GBP 454.6 (351.8) million. Please refer to pages 27 and 28 for more information on Gross winnings revenue by region and product.

### Gross margin on sports betting

The gross margin for total sports betting for the third quarter of 2020 before free bets was 9.6 (10.3) per cent and after free bets was 8.2 (9.0) per cent. Please refer to page 28 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 third quarter of 2020, betting duties were GBP 57.5 (48.1) million and marketing revenue share amounted to GBP 12.8 (11.6) million. The betting duties for the period January to September 2020 were GBP 155.6 (148.6) million and marketing revenue share for the period January to September 2020 amounted to GBP 38.1 (36.4) million. All components of cost of sales have increased in comparison to the same period of the prior year in line with the trend in Gross winnings revenue.



**Gross profit**

Gross profit for the third quarter of 2020 was GBP 163.0 (129.0) million. Gross profit for the period January to September 2020 was GBP 443.6 (378.6) 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 2020, operating costs were GBP 99.9 (106.2) million. Of these operating costs, GBP 46.1 (48.8) million were marketing costs and GBP 26.3 (24.4) million were salaries. During the period January to September 2020, operating costs were GBP 312.1 (317.7) million. Of these operating costs, GBP 142.7 (155.6) million were marketing costs and GBP 82.5 (71.2) million were salaries.

Overall operating costs have reduced from the same period in the prior year as the previously announced cost control initiatives begin to yield results. These include a complete review of brands and marketing levels across markets to ensure the Group is optimised for the future, as well as focus on reducing other operational costs such as consultancy and travel expenses. Slightly lower levels of marketing expenditure are a natural reflection of the uncertainties COVID-19 has created around the sports calendar. The Group has focused its marketing investments in those channels assessed as the most cost-effective. The number of employees has also been reduced, however, lower than normal capitalisation of development costs and adjustments to variable compensation driven by the strong result have resulted in the increase in salaries from the prior year.

**EBITDA and Profit from operations**

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the third quarter of 2020 was GBP 74.2 (37.1) million and for the period January to September 2020, was GBP 158.3 (98.1) million. The significant increase from the prior period is driven by strong revenue growth combined with lower marketing investment and careful management of the overall cost base.

Underlying EBITDA for the third quarter of 2020 was GBP 74.6 (37.3) million and for the period January to September 2020, was GBP 168.8 (99.3) million.

Profit from operations for the third quarter of 2020 was GBP 61.4 (22.7) million and for the period January to September 2020, was GBP 106.1 (57.6) million.

**Items affecting comparability**

Items affecting comparability amounted to a negative contribution of GBP 1.7 (0.1) million for the quarter and included management incentive costs relating to acquisitions, personnel restructuring costs, amortisation of acquired intangible assets and foreign currency gains and losses on operating items. The increase is primarily the result of negative foreign exchange movement of GBP 2.8 million partially offset by reduced amortisation of GBP 1.4 million on intangible assets that arose on acquisition and are now fully amortised.

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. For the third quarter of 2020 this amounted to GBP 0.1 (1.5) million and for the period January to September 2020, was GBP 2.9 (4.5) million.

For the period January to September 2020 total items affecting comparability amounted to a negative contribution of GBP 25.4 (3.3) million. Please refer to note 4 for more information on items affecting comparability for the period January to September 2020.

**Net finance costs/income and foreign currency loss/gain on borrowings**

Net finance costs for the third quarter of 2020 were GBP 1.3 (1.8) million. Net finance costs for the period January to September 2020 were GBP 4.5 (4.9) million. This primarily comprises interest and fees on borrowings which amounted to GBP 1.1 (1.6) million for the third quarter of 2020 and GBP 3.9 (3.9) million for the period January to September 2020.



The foreign currency gains and losses on the borrowings reported in the condensed consolidated income statement refer to the revaluation of the Group's multicurrency facilities. During the third quarter of 2020, foreign exchange gains of GBP 0.3 (0.4) million on retranslation of borrowings were recognised of which GBP 0.2 (nil) million were accounting unrealised gains. For the period January to September 2020 the impact was a loss of GBP 8.3 (gain of 0.9) million of which GBP 7.5 (nil) million are accounting unrealised losses. Hedge accounting is currently being considered to mitigate the risk of exposure to foreign currency movements.

### Profit before tax

Profit before tax for the third quarter of 2020 was GBP 60.7 (21.4) million. Profit before tax for the period January to September 2020 was GBP 94.4 (53.8) million.

### Profit after tax

Profit after tax for the third quarter of 2020 was GBP 52.5 (18.1) million. Profit after tax for the period January to September 2020 was GBP 80.3 (45.7) million.

### 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	30-Sep-20	30-Sep-19	YoY Delta
AUD	1.802	1.821	1.1%
DKK	8.162	8.429	3.2%
EUR	1.096	1.129	2.9%
NOK	12.167	11.172	-8.9%
SEK	11.587	12.076	4.1%
USD	1.283	1.229	-4.4%

Income statement averages for the quarter:			
Rate to GBP	Avg Q3 20	Avg Q3 19	YoY Delta
AUD	1.806	1.798	-0.4%
DKK	8.227	8.275	0.6%
EUR	1.105	1.109	0.4%
NOK	11.791	10.917	-8.0%
SEK	11.452	11.821	3.1%
USD	1.292	1.233	-4.8%

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 less than 1 per cent in the third quarter of 2020 compared to the same period of 2019.

During the third quarter of 2020, the foreign currency impact on profit before tax from operating items was a loss of GBP 1.2 (gains of 1.6) million. During the period January to September 2020, the foreign currency impact on profit before tax from operating items was a loss of GBP 1.2 (gains of 2.4) million.

### Development and acquisition costs of intangible assets

Intangible assets comprise development costs, computer software and licenses. In the third quarter of 2020 intangible assets of GBP 4.9 (14.5) million have been capitalised, bringing the total capitalised for the period January to September 2020 to GBP 15.7 (34.5) million. During 2019, licence costs for entering the US market (predominantly Pennsylvania) were capitalised while there have been no such costs in the period January to September 2020. For the third quarter of 2019, these amounted to GBP 8.7 million and for the full year 2019 amounted to GBP 14.9 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 third quarter of 2020



were GBP 4.8 (5.8) million, bringing the total capitalised for the period January to September 2020 to GBP 15.3 (18.2) million. During 2020, this development is driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

### Financial position

During 2019, Kindred Group plc entered into a new syndicated multicurrency facilities agreement with several Nordic banks. 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 30 September 2020, GBP 135.6 (172.2) million of the facilities was utilised out of a total of GBP 280.0 (280.0) million. The total borrowings recognised in the statement of financial position of GBP 134.8 million are reported net of the associated transaction fees which were incurred upon entering the facilities agreement and which are being expensed over its duration. Net debt/EBITDA (rolling 12-month basis) for the third quarter of 2020 was 0.012 (0.741).

Cash and cash equivalents at the end of the third quarter of 2020 stood at GBP 207.8 (123.4) million while at the beginning of the quarter it was GBP 172.8 (121.2) million. Please refer to page 17 for further detail on the unrestricted cash balance, and to the cash flow section below for more detail on the significant increase from the prior year.

From and inclusive of 31 December 2019, amounts held in trust in respect of customers are now recognised within cash and cash equivalents (restricted cash) instead of trade and other receivables to better reflect the nature of the funds. This change means that the comparatives at 30 September 2019 have been restated, reclassifying GBP 11.8 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 condensed consolidated cash flow. For the third quarter of 2019, the impact on the above cash flows was a decrease of GBP 0.2 million as a result of the restatement, and for the period January to September 2019 the impact was a decrease of GBP 2.2 million.

In the third quarter of 2020, net cash generated from operating activities amounted to GBP 72.8 (43.2) million. The increase of GBP 29.6 million from the same period in the prior year is primarily the result of the improved underlying performance, with operating cash flows before movements in working capital increasing by GBP 36.8 million. This is slightly offset by a negative working capital movement in comparison to the same period in the prior year as, during the third quarter of 2020, previously postponed payments as a result of COVID-19 were settled, as noted during the second quarter.

For the period January to September 2020, net cash generated from operating activities amounted to GBP 192.2 (89.8) million. Again, significantly improved underlying performance (operating cash flows before movements in working capital increasing by GBP 60.6 million) has been boosted further by positive net working capital movement of GBP 35.9 million. The positive net working capital movement is mainly attributable to higher supplier and betting duty accruals (caused by increased activity during 2020) and the timing of their payment, as well as the Swedish fine of GBP 8.0 million from the first quarter which remains disputed, and unpaid, yet fully provided for in the numbers above.

Cash flows used in investing activities were GBP 6.0 (18.8) million for the third quarter of 2020 and GBP 22.1 (52.2) million for the period January to September 2020. The decrease from the same period of 2019 is due to the reduction in capital investments made following the purchase of significant US gaming licences relevant to 2019 only. Other significant cash movements during the quarter were the repayment of GBP 28.6 (18.6) million of borrowings. For the period January to September 2020 repayments of GBP 98.1 (77.8) million were made.

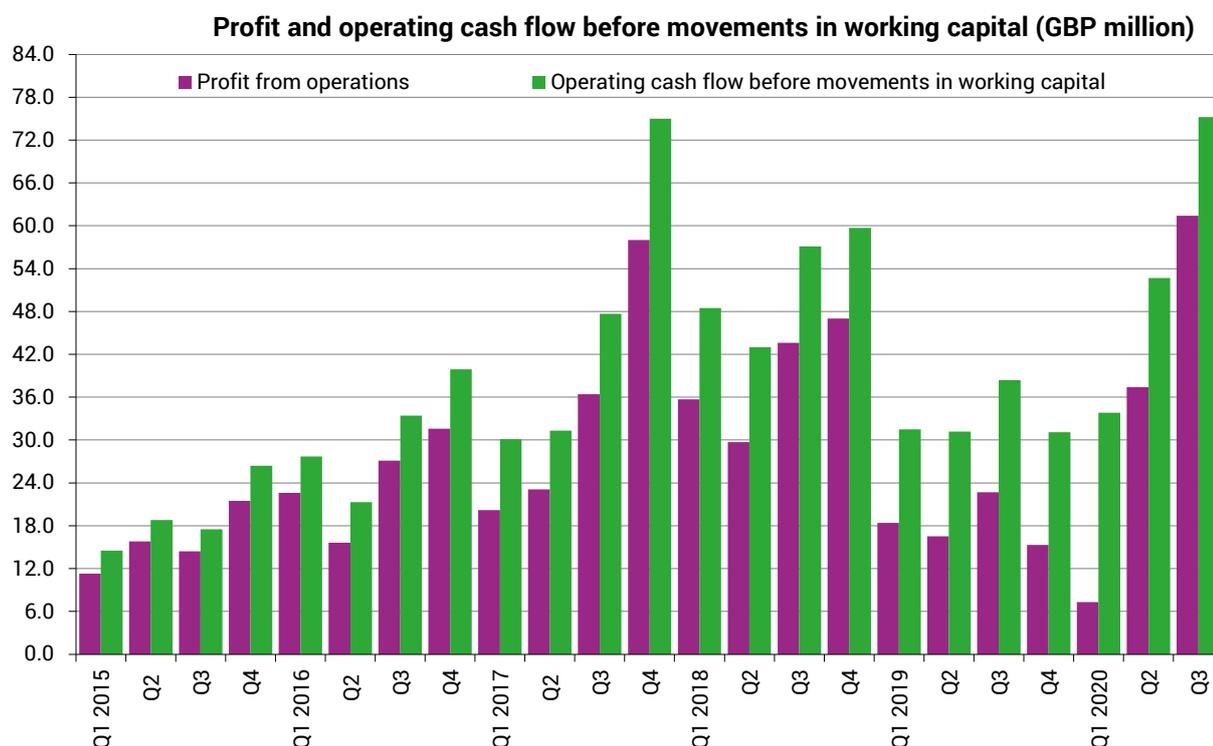


Free cash flow, as defined below, for the third quarter of 2020 was GBP 59.7 (24.9) million, an increase of GBP 34.8 million from the third quarter of 2019. For the period January to September 2020 this represented an increase of GBP 126.1 million and amounted to GBP 156.3 (30.2) million. This is predominantly a result of the movements in net cash generated from operating activities and capital investments, as explained above. See below for a reconciliation of free cash flow from net cash generated from operating activities.

FREE CASH FLOW RECONCILIATION	Unaudited	Unaudited (Restated)	Unaudited	Unaudited (Restated)	Audited
GBP 'm	Q3 2020	Q3 2019 <sup>1</sup>	Jan - Sep 2020 <sup>1</sup>	Jan - Sep 2019 <sup>1</sup>	Full Year 2019 <sup>1</sup>
<b>Net cash generated from operating activities</b>	<b>72.8</b>	<b>43.2</b>	<b>192.2</b>	<b>89.8</b>	<b>120.3</b>
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-0.9	-1.2
Purchases of property, plant and equipment	-0.3	-2.2	-3.1	-12.7	-15.6
Proceeds from sale of property, plant and equipment	0.0	-	0.0	0.1	0.1
Development and acquisition costs of intangible assets	-4.9	-14.5	-15.7	-34.5	-41.4
Repayment of lease liabilities	-2.6	-2.0	-8.4	-6.5	-8.6
Adjust for: customer balance movement	-5.0	0.7	-7.8	-5.1	-5.1
<b>Free cash flow</b>	<b>59.7</b>	<b>24.9</b>	<b>156.3</b>	<b>30.2</b>	<b>48.5</b>

<sup>1</sup> The 2019 and the Q1 2020 reported free cash flow calculations have been updated to remove certain items affecting comparability which are included within net cash generated from operating activities. This update impacts figures for both 2019 and for the period January to September 2020 in the table above.

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



## Financial information

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 2019.

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

## Employees

The Kindred Group had 1,628 (1,667) employees at 30 September 2020, compared with 1,633 employees at 30 June 2020. At 30 September 2020, the Kindred Group had 114 (185) consultants.

## Share based incentive programme

On 3 July 2017, the Kindred Group granted new performance share awards to senior managers and key employees under the 2017 Performance Share Plan (2017 PSP). These grants would vest in 2020, subject to the Group achieving business performance targets over the three financial years 2017 – 2019 and continued employment.

On 6 July 2020, the 2017 PSP grant vested on a partial basis as the agreed targets for the business performance conditions set for the period covering the three financial years 2017 – 2019 were not fully met. The results for the 2017 PSP are summarised below:

Performance Conditions	Achievement vs Target Over 2017-19	PSP Result
EBITDA	96.7%	86.6%
Gross contribution	98.3%	94.6%
Free cash flow per share	101.7%	100.0% (capped)

Of the 423,197 share awards initially granted under the scheme on 3 July 2017, the total number of share awards which vested on 6 July 2020 was 255,163 (60.3 percent of initial grant), using 255,163 Swedish Depositary Receipts (SDRs) from the Kindred Group's share buy-back programme.

Following the vesting of these awards, 2,971,358 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.

## Brexit

On 31 January 2020, the UK left the European Union (EU). Kindred continues to review 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 continues to carefully monitor progress of trade deal negotiations between the UK and the EU during 2020.

## Principal risks

The Kindred Group manages strategic, operational, financial, compliance and industry specific risks on a Group-wide basis. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 29 to 31 and pages 75 to 76 of the Annual Report and Accounts for the year ended 31 December 2019 available from [www.kindredgroup.com](http://www.kindredgroup.com).



## Next AGM and Nomination Committee

The 2021 Annual General Meeting of Kindred Group plc will be held on 12 May 2021 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 1 March 2021 in order to have sufficient time for including them in the Notice and the meeting's agenda.

The Nomination Committee for the 2021 AGM consists of Evert Carlsson, Swedbank Robur Fonder (chairman), Cecilia Marlow, Nordea Fonder, Thomas Gür, Veralda, Peter Lundkvist, Tredje AP-fonden and Anders Ström, chairman of the Board of Directors (adjunct). 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).

## Forthcoming financial reporting timetable

Full Year Report 2020	10 February 2021
Interim Report January – March 2021	28 April 2021
Interim Report January – June 2021	28 July 2021
Interim Report January – September 2021	27 October 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, 6 November 2020

Henrik Tjärnström  
CEO

### For further information please contact:

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Henrik Tjärnström, CEO	+46 723 878 059

*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, VLT 1103, Malta.*

*Registered in Malta. Company number C 39017.*

*Today, Friday 6 November 2020, Kindred Group's CEO Henrik Tjärnström will host a web cast in English at 09.00 CET on [www.kindredgroup.com/Q32020](http://www.kindredgroup.com/Q32020). 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: +1833 249 8407.*





## **Report on review of interim financial information**

### **To the Directors of Kindred Group plc**

#### **Introduction**

We have reviewed the accompanying condensed consolidated balance sheet of Kindred Group plc and its subsidiaries (the 'Group') as of 30 September 2020 and the related condensed consolidated income statement, statement of comprehensive income, cash flow statement and statement of changes in equity for the nine-month period then ended, and the explanatory notes. The directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, 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 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.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

#### **PricewaterhouseCoopers**

78, Mill Street

Zone 5, Central Business District

Qormi

Malta

Simon Flynn

Partner

6 November 2020



CONDENSED CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q3 2020	Unaudited Q3 2019	Unaudited Jan - Sep 2020	Unaudited Jan - Sep 2019	Audited Full Year 2019
<b>Continuing operations:</b>					
<b>Gross winnings revenue</b>	<b>280.7</b>	226.0	<b>765.5</b>	676.6	<b>912.8</b>
Betting duties	-57.5	-48.1	-155.6	-148.6	-204.3
Marketing revenue share	-12.8	-11.6	-38.1	-36.4	-48.8
Other cost of sales	-47.4	-37.3	-128.2	-113.0	-151.1
<b>Cost of sales</b>	<b>-117.7</b>	<b>-97.0</b>	<b>-321.9</b>	<b>-298.0</b>	<b>-404.2</b>
<b>Gross profit</b>	<b>163.0</b>	<b>129.0</b>	<b>443.6</b>	<b>378.6</b>	<b>508.6</b>
Marketing costs	-46.1	-48.8	-142.7	-155.6	-210.9
Salaries <sup>1</sup>	-26.3	-24.4	-82.5	-71.2	-96.1
Other operating expenses	-14.8	-20.1	-48.4	-54.9	-73.6
Depreciation of property, plant and equipment	-3.8	-3.8	-11.3	-11.2	-14.9
Depreciation of right-of-use assets	-2.9	-2.8	-8.4	-7.3	-10.1
Amortisation (excluding on assets arising on acquisition)	-6.0	-6.3	-18.8	-17.5	-24.3
Total administrative expenses	-53.8	-57.4	-169.4	-162.1	-219.0
<b>Underlying profit before items affecting comparability:</b>	<b>63.1</b>	<b>22.8</b>	<b>131.5</b>	<b>60.9</b>	<b>78.7</b>
Management incentive costs relating to acquisitions	-0.1	-0.1	-0.3	-0.2	-0.2
Personnel restructuring costs <sup>1</sup>	-0.3	-0.1	-2.2	-1.0	-1.7
Disputed regulatory sanction	-	-	-8.0	-	-
Accelerated amortisation of acquired intangible assets	-	-	-10.8	-	-2.0
Amortisation of intangible assets that arose on acquisition	-0.1	-1.5	-2.9	-4.5	-5.9
Foreign currency (loss)/gain on operating items	-1.2	1.6	-1.2	2.4	2.0
<b>Profit from operations</b>	<b>61.4</b>	<b>22.7</b>	<b>106.1</b>	<b>57.6</b>	<b>70.9</b>
Finance costs	-1.4	-1.9	-4.8	-5.2	-7.0
Finance income	0.1	0.1	0.3	0.3	0.4
Foreign currency gain/(loss) on borrowings	0.3	0.4	-8.3	0.9	2.9
Share of profit/(loss) from associates	0.3	0.1	1.1	0.2	-0.1
<b>Profit before tax</b>	<b>60.7</b>	<b>21.4</b>	<b>94.4</b>	<b>53.8</b>	<b>67.1</b>
Income tax expense	-8.2	-3.3	-14.1	-8.1	-10.5
<b>Profit after tax</b>	<b>52.5</b>	<b>18.1</b>	<b>80.3</b>	<b>45.7</b>	<b>56.6</b>
Earnings per share (GBP)	<b>0.231</b>	0.080	<b>0.354</b>	0.202	<b>0.250</b>
Weighted average number of outstanding shares	<b>227,138,201</b>	226,593,080	<b>226,979,767</b>	226,593,073	<b>226,669,514</b>
Diluted earnings per share (GBP)	<b>0.229</b>	0.079	<b>0.351</b>	0.200	<b>0.248</b>
Weighted average number of diluted outstanding shares	<b>229,052,792</b>	228,458,040	<b>229,088,342</b>	228,443,890	<b>228,384,165</b>

CONDENSED CONSOLIDATED INCOME STATEMENT MEASURES					
<b>Profit from operations</b>	<b>61.4</b>	<b>22.7</b>	<b>106.1</b>	<b>57.6</b>	<b>70.9</b>
Depreciation of property, plant and equipment	3.8	3.8	11.3	11.2	14.9
Depreciation of right-of-use assets	2.9	2.8	8.4	7.3	10.1
Amortisation of intangible assets	6.1	7.8	32.5	22.0	32.2
<b>EBITDA</b>	<b>74.2</b>	<b>37.1</b>	<b>158.3</b>	<b>98.1</b>	<b>128.1</b>
Management incentive costs relating to acquisitions	0.1	0.1	0.3	0.2	0.2
Personnel restructuring costs	0.3	0.1	2.2	1.0	1.7
Disputed regulatory sanction	-	-	8.0	-	-
<b>Underlying EBITDA</b>	<b>74.6</b>	<b>37.3</b>	<b>168.8</b>	<b>99.3</b>	<b>130.0</b>
Gross winnings revenue	<b>280.7</b>	226.0	<b>765.5</b>	676.6	<b>912.8</b>
<b>EBITDA margin</b>	<b>26%</b>	<b>16%</b>	<b>21%</b>	<b>14%</b>	<b>14%</b>

<sup>1</sup> The amount for the third quarter of 2019 has been updated to include the reclassification of GBP 0.1 million of personnel restructuring costs from salaries. This reclassification was initially made in the report for the fourth quarter of 2019 and included the figures for the full year 2019. For this reason, the reclassification is now being reflected in the relevant quarter to ensure all comparative figures are directly comparable.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Unaudited	Unaudited	Unaudited	Unaudited	Audited
GBP 'm	Q3	Q3	Jan - Sep	Jan - Sep	Full Year
	2020	2019	2020	2019	2019
<b>Profit after tax</b>	<b>52.5</b>	18.1	<b>80.3</b>	45.7	<b>56.6</b>
<b>Other comprehensive income</b>					
Currency translation adjustments taken to equity	-0.5	-2.0	11.7	-5.2	-8.6
<b>Total comprehensive income for the period</b>	<b>52.0</b>	<b>16.1</b>	<b>92.0</b>	<b>40.5</b>	<b>48.0</b>



CONDENSED CONSOLIDATED BALANCE SHEET	Unaudited	Unaudited (Restated)	Audited
GBP 'm	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	276.8	279.9	275.3
Other intangible assets	150.0	163.9	159.7
Investment in associates	2.9	2.0	1.8
Property, plant and equipment	29.8	38.2	36.6
Right-of-use assets	57.5	67.0	64.1
Deferred tax assets	25.8	16.4	23.5
Convertible bond	6.9	6.7	6.5
Other non-current assets	2.3	2.3	2.2
	<b>552.0</b>	<b>576.4</b>	<b>569.7</b>
<b>Current assets</b>			
Trade and other receivables <sup>1</sup>	50.8	54.2	46.8
Taxation recoverable	40.9	43.0	41.5
Cash and cash equivalents <sup>1</sup>	207.8	123.4	137.8
	<b>299.5</b>	<b>220.6</b>	<b>226.1</b>
<b>Total assets</b>	<b>851.5</b>	<b>797.0</b>	<b>795.8</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	19.7	11.4	8.0
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	270.8	231.6	187.3
<b>Total equity</b>	<b>329.2</b>	<b>281.7</b>	<b>234.0</b>
<b>Non-current liabilities</b>			
Borrowings	134.8	172.2	225.4
Lease liabilities	46.1	55.9	53.3
Deferred tax liabilities	7.1	4.4	5.9
	<b>188.0</b>	<b>232.5</b>	<b>284.6</b>
<b>Current liabilities</b>			
Lease liabilities	12.3	11.3	11.7
Trade and other payables	178.9	131.6	138.4
Customer balances	75.2	67.3	67.4
Deferred income	7.0	5.9	5.9
Tax liabilities	60.9	66.7	53.8
	<b>334.3</b>	<b>282.8</b>	<b>277.2</b>
<b>Total liabilities</b>	<b>522.3</b>	<b>515.3</b>	<b>561.8</b>
<b>Total equity and liabilities</b>	<b>851.5</b>	<b>797.0</b>	<b>795.8</b>

CONDENSED CONSOLIDATED BALANCE SHEET MEASURES			
Borrowings	134.8	172.2	225.4
Customer balances	75.2	67.3	67.4
Cash and cash equivalents <sup>1</sup>	-207.8	-123.4	-137.8
<b>Less: Unrestricted cash</b>	<b>-132.6</b>	<b>-56.1</b>	<b>-70.4</b>
<b>Net debt</b>	<b>2.2</b>	<b>116.1</b>	<b>155.0</b>

<sup>1</sup> From and inclusive of 31 December 2019, amounts held in trust in respect of customers are now recognised within cash and cash equivalents (restricted cash) instead of trade and other receivables to better reflect the nature of the funds. The comparatives for 30 September 2019 have therefore been restated, reclassifying GBP 11.8 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 10.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT	Unaudited	Unaudited (Restated)	Unaudited	Unaudited (Restated)	Audited
GBP 'm	Q3 2020	Q3 2019	Jan - Sep 2020	Jan - Sep 2019	Full Year 2019
<b>Operating activities</b>					
Profit from operations	61.4	22.7	106.1	57.6	70.9
Adjustments for:					
Depreciation of property, plant and equipment	3.8	3.8	11.3	11.2	14.9
Depreciation of right-of-use assets	2.9	2.8	8.4	7.3	10.1
Amortisation of intangible assets	6.1	7.8	32.5	22.0	32.2
Loss on disposal of intangible assets	-	0.0	0.2	0.0	0.0
(Gain)/loss on disposal of property, plant & equipment	-0.0	0.0	0.0	0.1	0.1
FX loss on dividend	-	-	-	-0.4	-0.4
Share-based payments	0.6	0.8	1.8	1.8	2.4
Equity settled employee benefit plan	0.4	0.5	1.4	1.5	2.0
<b>Operating cash flows before movements in working capital</b>	<b>75.2</b>	<b>38.4</b>	<b>161.7</b>	<b>101.1</b>	<b>132.2</b>
Decrease/(increase) in trade and other receivables <sup>1</sup>	1.3	-4.6	-5.2	-14.2	-6.9
Increase in trade and other payables, including customer balances	0.2	11.6	42.9	16.0	21.9
<b>Cash flows from operating activities</b>	<b>76.7</b>	<b>45.4</b>	<b>199.4</b>	<b>102.9</b>	<b>147.2</b>
Net income taxes paid	-3.9	-2.2	-7.2	-13.1	-26.9
<b>Net cash generated from operating activities</b>	<b>72.8</b>	<b>43.2</b>	<b>192.2</b>	<b>89.8</b>	<b>120.3</b>
<b>Investing activities</b>					
Interest received	0.0	0.0	0.4	0.2	0.3
Interest paid	-0.8	-2.1	-3.7	-5.3	-6.6
Purchases of property, plant and equipment	-0.3	-2.2	-3.1	-12.7	-15.6
Proceeds from sale of property, plant and equipment	0.0	-	0.0	0.1	0.1
Development and acquisition costs of intangible assets	-4.9	-14.5	-15.7	-34.5	-41.4
<b>Net cash used in investing activities</b>	<b>-6.0</b>	<b>-18.8</b>	<b>-22.1</b>	<b>-52.2</b>	<b>-63.2</b>
<b>Financing activities</b>					
Repayment of lease liabilities	-2.6	-2.0	-8.4	-6.5	-8.6
Interest paid on lease liabilities	-0.3	-0.3	-0.9	-0.9	-1.2
Dividend paid	-	-	-	-56.2	-112.5
Proceeds from borrowings	-	0.3	-	57.9	130.0
Repayment of borrowings	-28.6	-18.6	-98.1	-77.8	-92.8
<b>Net cash used in financing activities</b>	<b>-31.5</b>	<b>-20.6</b>	<b>-107.4</b>	<b>-83.5</b>	<b>-85.1</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35.3</b>	<b>3.8</b>	<b>62.7</b>	<b>-45.9</b>	<b>-28.0</b>
<b>Cash and cash equivalents at beginning of period<sup>1</sup></b>	<b>172.8</b>	<b>121.2</b>	<b>137.8</b>	<b>174.3</b>	<b>174.3</b>
Effect of foreign exchange rate changes	-0.3	-1.6	7.3	-5.0	-8.5
<b>Cash and cash equivalents at end of period<sup>1</sup></b>	<b>207.8</b>	<b>123.4</b>	<b>207.8</b>	<b>123.4</b>	<b>137.8</b>

<sup>1</sup> From and inclusive of 31 December 2019, amounts held in trust in respect of customers are now recognised within cash and cash equivalents (restricted cash) instead of trade and other receivables to better reflect the nature of the funds. The relevant 2018 and 2019 balance sheet comparatives have been restated, impacting both the movement in trade and other receivables and cash and cash equivalents for the third quarter and the period January to September 2019 in the condensed consolidated cash flow above. For the third quarter of 2019, the impact on the above cash flows was a decrease of GBP 0.2 million as a result of the restatement, and for the period January to September 2019 the impact was a decrease of GBP 2.2 million. For more information, see page 10.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q3 2020	Unaudited Q3 2019	Unaudited Jan - Sep 2020	Unaudited Jan - Sep 2019	Audited Full Year 2019
<b>Opening balance at beginning of period</b>	276.2	264.3	234.0	294.1	294.1
<b>Comprehensive income</b>					
Profit for the period	52.5	18.1	80.3	45.7	56.6
Other comprehensive income:					
Translation adjustment	-0.5	-2.0	11.7	-5.2	-8.6
	<b>52.0</b>	<b>16.1</b>	<b>92.0</b>	<b>40.5</b>	<b>48.0</b>
<b>Transactions with owners</b>					
Share awards - value of employee services	-1.1	0.8	0.1	1.8	0.4
Equity settled employee benefit plan	0.4	0.5	1.4	1.5	2.0
Disposal of treasury shares	1.7	-	1.7	0.0	2.0
Dividend paid	-	-	-	-56.2	-112.5
	<b>1.0</b>	<b>1.3</b>	<b>3.2</b>	<b>-52.9</b>	<b>-108.1</b>
<b>Closing balance at end of period</b>	<b>329.2</b>	<b>281.7</b>	<b>329.2</b>	<b>281.7</b>	<b>234.0</b>



## 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 29.1 million registered customers worldwide as at 30 September 2020 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 6 November 2020.

### 2: Basis of preparation

This condensed consolidated interim financial information for the nine-month period ended 30 September 2020 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 and Accounts) for the year ended 31 December 2019.

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 2020.

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 Directors have determined the Group's ability to continue as a going concern by reviewing forecasts (including sensitivity analysis), liquidity levels and financial commitments, and monitoring its ability to meet its loan covenants.

The Group has a solid financial position with strong liquidity and low leverage and at the end of the third quarter of 2020, it complied with all covenant requirements under the facilities agreement.

Despite the emergence of COVID-19 during the year, which has caused disruption to economic activity and businesses around the globe, including Kindred, the Group has proved resilient by quickly acting and adapting its forecasts and strategies and has reported strong results for the period January to September 2020. The Company has also repaid a significant amount of its borrowings during the year to date, resulting in a significantly reduced net debt position of only GBP 2.2 million at the end of September 2020.

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 whilst continuing to comply with all of its covenants.

### 3: Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019, 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 2020 and implemented during the period, which did not have a material effect on these condensed consolidated interim financial statements.



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 2020 and 31 December 2019 is reported in the condensed consolidated balance sheet on page 17. 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, personnel restructuring costs, a disputed regulatory sanction, accelerated amortisation of acquired intangible assets, amortisation of acquired intangible assets and foreign currency gains and losses on operating items.

GBP 'm	Nine months ended 30 Sep 2020	Nine months ended 30 Sep 2019	Full Year 2019
Management incentive costs relating to acquisitions	-0.3	-0.2	-0.2
Personnel restructuring costs <sup>1</sup>	-2.2	-1.0	-1.7
Disputed regulatory sanction	-8.0	-	-
Accelerated amortisation of acquired intangible assets	-10.8	-	-2.0
Amortisation of intangible assets that arose on acquisition	-2.9	-4.5	-5.9
Foreign currency (loss)/gain on operating items	-1.2	2.4	2.0
<b>Total</b>	<b>-25.4</b>	<b>-3.3</b>	<b>-7.8</b>

<sup>1</sup> The reclassification of personnel restructuring costs from salaries within administrative expenses to items affecting comparability was initially made in the report for the fourth quarter of 2019 and included the figures for the full year 2019. For this reason, the reclassification is now being reflected in the relevant period to ensure all comparative figures are directly comparable.

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

Personnel restructuring costs of GBP 2.2 million have continued during 2020 as a result of the Group implementing measures to improve cost efficiencies, by further reducing its headcount.

Disputed regulatory sanction relates to the decision by the Swedish Gambling Regulator to issue Kindred with a fine of SEK 100.0 million (GBP 8.0 million). The regulator held that campaigns and promotions found on Kindred's sites and social media in Sweden during early 2019 were in breach of the rules on bonuses. Kindred vigorously disagree with the regulator's decision and appealed the decision to the Swedish Administrative Court. The appeal process is still ongoing and it is only once a final judicial decision has been issued that a fine, if any, becomes payable. In the meantime, Kindred has made a provision of SEK 100.0 million (GBP 8.0 million) although the basis on which it was issued is being fully disputed.

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. As a result of the rationalisation of its brand portfolio, the Group has taken a non-recurring, non-cash amortisation charge of GBP 6.9 million against its intangible assets for the period January to September 2020. This relates to those brands that the Group has decided to discontinue during 2020, in order to benefit from focusing resources on its remaining brands and to reduce organisational complexity. The Group has also further reassessed the fair value of acquired intangibles, as a result of COVID-19, and has taken a non-recurring, non-cash amortisation charge of GBP 3.9 million for the period January to September 2020 against the Betchoice goodwill, now fully written down. These fair value adjustments will have no impact on free cash flow.



## 5: Operating Segments

### (a) Reconciliation of segment revenues to profit from operations

Nine months ended 30 September 2020					
GBP 'm	Nordic Region	Western Europe	Central, Eastern & Southern Europe	Other	Total
Gross winnings revenue as reported	192.9	467.1	68.5	37.0	765.5
Cost of sales	-67.2	-203.9	-27.4	-23.4	-321.9
<b>Gross profit</b>	<b>125.7</b>	<b>263.2</b>	<b>41.1</b>	<b>13.6</b>	<b>443.6</b>
Marketing costs					-142.7
Administrative expenses					-169.4
Items affecting comparability					-25.4
<b>Profit from operations</b>					<b>106.1</b>

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
<b>Gross profit</b>	<b>126.6</b>	<b>211.2</b>	<b>34.7</b>	<b>6.1</b>	<b>378.6</b>
Marketing costs					-155.6
Administrative expenses <sup>1</sup>					-162.1
Items affecting comparability <sup>1</sup>					-3.3
<b>Profit from operations</b>					<b>57.6</b>

<sup>1</sup> The reclassification of personnel restructuring costs from salaries within administrative expenses to items affecting comparability was initially made in the report for the fourth quarter of 2019 and included the figures for the full year 2019. For this reason, the reclassification is now being reflected in the relevant quarter to ensure all comparative figures are directly comparable.

### (b) Product revenues by principal product groups

GBP 'm	Nine months ended 30 Sep 2020	Nine months ended 30 Sep 2019
Sports betting (after free bets)	310.9	324.8
Casino	408.3	317.0
Poker	24.0	15.5
Other	22.3	19.3
<b>Total Gross winnings revenue</b>	<b>765.5</b>	<b>676.6</b>



## 6: Intangible assets and property, plant & equipment

Nine months ended 30 September 2020 GBP 'm	Other			
	Goodwill	intangible assets	Property, plant & equipment	Right-of-use assets
Opening net book amount 1 January 2020	275.3	159.7	36.6	64.1
Additions	-	15.7	3.1	-
Disposals	-	-0.2	0.0	-
Remeasurement of right-of-use assets	-	-	-	-0.7
Currency translation adjustment	5.4	3.4	1.4	2.5
Amortisation / depreciation	-3.9	-28.6	-11.3	-8.4
<b>Closing net book amount at 30 September 2020</b>	<b>276.8</b>	<b>150.0</b>	<b>29.8</b>	<b>57.5</b>

Nine months ended 30 September 2019 GBP 'm	Other			
	Goodwill	intangible assets	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
<b>Closing net book amount at 30 September 2019</b>	<b>279.9</b>	<b>163.9</b>	<b>38.2</b>	<b>67.0</b>

## 7: 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.

## 8: Share capital and share premium

GBP 'm	Number of shares (millions)	Share		Total
		capital	premium	
Opening balance 1 January 2020	230.1	0.1	81.5	81.6
Increase in issued shares	-	-	-	-
<b>At 30 September 2020</b>	<b>230.1</b>	<b>0.1</b>	<b>81.5</b>	<b>81.6</b>

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



## 9: Borrowings

GBP 'm	30 Sep 2020	30 Sep 2019
Non-current	134.8	172.2
Current	-	-
<b>Total</b>	<b>134.8</b>	<b>172.2</b>

Movements in borrowings are analysed as follows:

GBP 'm	Borrowings
<b>Opening balance 1 January 2020</b>	<b>225.4</b>
Transaction fees	-0.8
Repayment of borrowings	-98.1
Translation loss on borrowings	8.3
<b>At 30 September 2020</b>	<b>134.8</b>
<b>Opening balance 1 January 2019</b>	<b>194.3</b>
Drawdown of borrowings	57.9
Repayment of borrowings	-77.8
Translation gain on borrowings	-2.2
<b>At 30 September 2019</b>	<b>172.2</b>

On 23 July 2019, Kindred Group plc entered into a new syndicated multicurrency facilities agreement with several Nordic banks. 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 2020 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 the contractual terms at any such time.

## 10: Dividend

On 2 April 2020, the Board of Directors decided to withdraw the previous recommendation to shareholders/SDR holders to declare a dividend for 2019, and instead recommended that no dividend was paid. Despite the Group being in a solid financial position with strong liquidity and low leverage, the decision was taken due to the uncertainty caused at the time by COVID-19 and to ensure that Kindred was well capitalised for future investment opportunities.



## 11: Related party transactions

Kindred Group plc has a 33.38 per cent 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 2020, 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 6,894,725 (6,349,556). At 30 September 2020, the remaining balance owed by the Group was GBP nil (nil).
- In February 2018, Kindred Group plc agreed to provide a loan facility to Relax Holding Limited for a maximum value of EUR 1.0 million, expiring in April 2020. The total facility was drawn down in two instalments (in April 2018 and February 2019) and as per the original loan agreement, interest and fees were accruing on the balance. In March 2020, the facility was renegotiated and the expiry date extended to April 2022. In July 2020, the entire loan facility was repaid leaving a balance of EUR nil (1.2) million as at 30 September 2020.

Other related party transactions during the period ended 30 September 2020 totalled GBP 45,434 (130,222). 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 nil (11,179) as at 30 September 2020.

## 12: 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 2019 Annual Report and Accounts, on pages 45 to 47.



## KEY RATIOS

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

	Unaudited Q3 2020	Unaudited (Restated) Q3 2019	Unaudited Jan - Sep 2020	Unaudited (Restated) Jan - Sep 2019	Audited Full Year 2019
Operating margin (Profit from operations/gross winnings revenue for the period)	22%	10%	14%	9%	8%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	6%	2%	10%	6%	7%
Return on average equity (annualised) (Profit from operations/average of opening and closing equity for the period)	81%	33%	50%	27%	27%
Equity:assets ratio	39%	35%	39%	35%	29%
EBITDA margin	26%	16%	21%	14%	14%
Unrestricted cash/EBITDA (rolling 12-month basis)*	0.704	0.358	0.704	0.358	0.550
Net debt/EBITDA (rolling 12-month basis)*	0.012	0.741	0.012	0.741	1.210
Employees at period end	1,628	1,667	1,628	1,667	1,666
Gross cash per share (GBP)* (cash at end of period/number of shares at end of period)	0.903	0.536	0.903	0.536	0.599
Net debt per share (GBP)* (total cash at period end less customer balances and borrowings/number of shares at end of period)	0.010	0.505	0.010	0.505	0.674
Operating cash flow before movements in working capital per share (GBP)	0.331	0.169	0.712	0.446	0.583
Earnings per share (GBP)	0.231	0.080	0.354	0.202	0.250
Diluted earnings per share (GBP)	0.229	0.079	0.351	0.200	0.248
Number of shares at period end <sup>1</sup>	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Diluted number of shares at period end	231,936,059	231,987,774	231,936,059	231,987,774	231,864,044
Weighted average number of outstanding shares	227,138,201	226,593,080	226,979,767	226,593,073	226,669,514
Weighted average number of diluted outstanding shares	229,052,792	228,458,040	229,088,342	228,443,890	228,384,165

<sup>1</sup> As at 30 September 2020 the total issued shares were 230,126,200. Of these 2,971,358 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.

\* From and inclusive of 31 December 2019, amounts held in trust in respect of customers are now recognised within cash and cash equivalents (restricted cash) instead of trade and other receivables to better reflect the nature of the funds. The comparatives for 30 September 2019 have therefore been restated, reclassifying GBP 11.8 million to cash and cash equivalents (restricted cash). The metrics which include net debt, unrestricted cash or gross cash disclosed above for the third quarter of 2019 have been impacted by this change. For more information, see page 10.



## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

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

SPORTS BETTING BY REGION	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
<b>Gross winnings revenue</b>										
Nordics	24.4	13.9	24.5	21.5	22.1	24.0	19.1	62.8	65.2	86.7
Western Europe	80.3	43.1	84.1	75.1	74.6	74.2	76.0	207.5	224.8	299.9
Central, Eastern and Southern Europe	10.2	5.7	10.1	9.8	10.0	8.8	8.3	26.0	27.1	36.9
Other	6.0	4.8	3.8	4.3	2.7	1.9	3.1	14.6	7.7	12.0
<b>Total</b>	<b>120.9</b>	<b>67.5</b>	<b>122.5</b>	<b>110.7</b>	<b>109.4</b>	<b>108.9</b>	<b>106.5</b>	<b>310.9</b>	<b>324.8</b>	<b>435.5</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	10%	-42%	28%	-31%	-26%	-7%	-25%	-4%	-19%	-23%
Western Europe	8%	-42%	11%	-9%	6%	9%	27%	-8%	13%	7%
Central, Eastern and Southern Europe	2%	-35%	22%	13%	5%	11%	4%	-4%	7%	8%
Other	122%	153%	23%	54%	80%	-37%	94%	90%	26%	35%
<b>Total</b>	<b>11%</b>	<b>-38%</b>	<b>15%</b>	<b>-11%</b>	<b>-2%</b>	<b>4%</b>	<b>12%</b>	<b>-4%</b>	<b>5%</b>	<b>0%</b>
<b>OTHER PRODUCTS - CASINO, POKER &amp; OTHER GAMES BY REGION</b>	<b>2020 Q3</b>	<b>2020 Q2</b>	<b>2020 Q1</b>	<b>2019 Q4</b>	<b>2019 Q3</b>	<b>2019 Q2</b>	<b>2019 Q1</b>	<b>2020 YTD</b>	<b>2019 YTD</b>	<b>2019 FY</b>
<b>Gross winnings revenue</b>										
Nordics	41.6	45.8	42.7	41.4	44.3	43.4	42.8	130.1	130.5	171.9
Western Europe	93.0	97.8	68.8	70.0	60.5	61.7	63.4	259.6	185.6	255.6
Central, Eastern and Southern Europe	15.2	15.6	11.7	11.7	10.0	10.4	10.0	42.5	30.4	42.1
Other	10.0	8.4	4.0	2.4	1.8	1.8	1.7	22.4	5.3	7.7
<b>Total</b>	<b>159.8</b>	<b>167.6</b>	<b>127.2</b>	<b>125.5</b>	<b>116.6</b>	<b>117.3</b>	<b>117.9</b>	<b>454.6</b>	<b>351.8</b>	<b>477.3</b>
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	-6%	6%	0%	-14%	-10%	-10%	-12%	0%	-11%	-12%
Western Europe	54%	59%	9%	7%	1%	12%	15%	40%	9%	8%
Central, Eastern and Southern Europe	52%	50%	17%	14%	22%	28%	33%	40%	28%	23%
Other	456%	367%	135%	118%	-14%	-31%	-11%	323%	-20%	0%
<b>Total</b>	<b>37%</b>	<b>43%</b>	<b>8%</b>	<b>0%</b>	<b>-3%</b>	<b>3%</b>	<b>4%</b>	<b>29%</b>	<b>1%</b>	<b>1%</b>
<b>TOTAL BY REGION</b>	<b>2020 Q3</b>	<b>2020 Q2</b>	<b>2020 Q1</b>	<b>2019 Q4</b>	<b>2019 Q3</b>	<b>2019 Q2</b>	<b>2019 Q1</b>	<b>2020 YTD</b>	<b>2019 YTD</b>	<b>2019 FY</b>
<b>Gross winnings revenue</b>										
Nordics	66.0	59.7	67.2	62.9	66.4	67.4	61.9	192.9	195.7	258.6
Western Europe	173.3	140.9	152.9	145.1	135.1	135.9	139.4	467.1	410.4	555.5
Central, Eastern and Southern Europe	25.4	21.3	21.8	21.5	20.0	19.2	18.3	68.5	57.5	79.0
Other	16.0	13.2	7.8	6.7	4.5	3.7	4.8	37.0	13.0	19.7
<b>Total</b>	<b>280.7</b>	<b>235.1</b>	<b>249.7</b>	<b>236.2</b>	<b>226.0</b>	<b>226.2</b>	<b>224.4</b>	<b>765.5</b>	<b>676.6</b>	<b>912.8</b>
<b>Share of total %</b>										
Nordics	23%	25%	27%	27%	29%	30%	28%	25%	29%	28%
Western Europe	62%	60%	61%	61%	60%	60%	62%	61%	61%	61%
Central, Eastern and Southern Europe	9%	9%	9%	9%	9%	8%	8%	9%	8%	9%
Other	6%	6%	3%	3%	2%	2%	2%	5%	2%	2%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>										
Nordics	-1%	-11%	9%	-21%	-16%	-9%	-16%	-1%	-14%	-16%
Western Europe	28%	4%	10%	-2%	4%	10%	21%	14%	11%	8%
Central, Eastern and Southern Europe	27%	11%	19%	13%	13%	20%	18%	19%	17%	16%
Other	256%	257%	63%	72%	25%	-34%	37%	185%	2%	19%
<b>Total</b>	<b>24%</b>	<b>4%</b>	<b>11%</b>	<b>-6%</b>	<b>-2%</b>	<b>3%</b>	<b>8%</b>	<b>13%</b>	<b>3%</b>	<b>1%</b>



## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

**Gross winnings revenue by product (after free bets)**  
(GBP 'm)

TOTAL BY PRODUCT	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
<b>Gross winnings revenue</b>										
Sports betting	120.9	67.5	122.5	110.7	109.4	108.9	106.5	310.9	324.8	435.5
Casino & games	145.0	150.4	112.9	112.3	104.7	105.6	106.7	408.3	317.0	429.3
Poker	6.8	9.7	7.5	5.8	5.2	4.6	5.7	24.0	15.5	21.3
Other	8.0	7.5	6.8	7.4	6.7	7.1	5.5	22.3	19.3	26.7
<b>Total</b>	<b>280.7</b>	<b>235.1</b>	<b>249.7</b>	<b>236.2</b>	<b>226.0</b>	<b>226.2</b>	<b>224.4</b>	<b>765.5</b>	<b>676.6</b>	<b>912.8</b>

Share of total %	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
Sports betting	43%	29%	49%	47%	48%	48%	47%	41%	48%	48%
Casino & games	52%	64%	45%	48%	47%	47%	48%	53%	47%	47%
Poker	2%	4%	3%	2%	2%	2%	3%	3%	2%	2%
Other	3%	3%	3%	3%	3%	3%	2%	3%	3%	3%

Quarterly Year-on-Year & Year-on-Year growth %	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
Sports betting	11%	-38%	15%	-11%	-2%	4%	12%	-4%	5%	0%
Casino & games	38%	42%	6%	-2%	-5%	2%	3%	29%	0%	-1%
Poker	31%	111%	32%	18%	18%	15%	24%	55%	19%	19%
Other	19%	6%	24%	32%	26%	16%	4%	16%	16%	20%

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

	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
<b>Sports betting stakes</b>	<b>1,476.1</b>	<b>780.2</b>	<b>1,143.4</b>	<b>1,364.3</b>	<b>1,218.1</b>	<b>1,256.3</b>	<b>1,340.8</b>	<b>3,399.7</b>	<b>3,815.2</b>	<b>5,179.5</b>
<i>Sports betting Gross winnings revenue:</i>										
<b>Live betting</b>	<b>71.2</b>	<b>33.5</b>	<b>58.6</b>	<b>59.3</b>	<b>62.5</b>	<b>64.2</b>	<b>64.5</b>	<b>163.3</b>	<b>191.2</b>	<b>250.5</b>
<i>Live betting margin</i>	9.1%	7.3%	8.9%	8.1%	8.4%	8.8%	8.3%	8.6%	8.5%	8.5%
<i>Live betting share</i>	50.2%	43.3%	42.2%	45.2%	49.7%	50.2%	49.7%	45.6%	49.9%	48.7%
<b>Pre-game betting</b>	<b>70.5</b>	<b>43.8</b>	<b>80.4</b>	<b>71.8</b>	<b>63.2</b>	<b>63.7</b>	<b>65.2</b>	<b>194.7</b>	<b>192.1</b>	<b>263.9</b>
<i>Pre-game betting margin</i>	10.1%	13.7%	16.6%	11.3%	13.4%	12.0%	11.5%	13.0%	12.3%	12.3%
<i>Pre-game betting share</i>	49.8%	56.7%	57.8%	54.8%	50.3%	49.8%	50.3%	54.4%	50.1%	51.3%
<b>Total before free bets</b>	<b>141.7</b>	<b>77.3</b>	<b>139.0</b>	<b>131.1</b>	<b>125.7</b>	<b>127.9</b>	<b>129.7</b>	<b>358.0</b>	<b>383.3</b>	<b>514.4</b>
<i>Sports betting margin (before free bets)</i>	9.6%	9.9%	12.2%	9.6%	10.3%	10.2%	9.7%	10.5%	10.0%	9.9%
Free bets	-20.8	-9.8	-16.5	-20.4	-16.3	-19.0	-23.2	-47.1	-58.5	-78.9
<b>Total after free bets</b>	<b>120.9</b>	<b>67.5</b>	<b>122.5</b>	<b>110.7</b>	<b>109.4</b>	<b>108.9</b>	<b>106.5</b>	<b>310.9</b>	<b>324.8</b>	<b>435.5</b>
<i>Sports betting margin (after free bets)</i>	8.2%	8.7%	10.7%	8.1%	9.0%	8.7%	7.9%	9.1%	8.5%	8.4%

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

	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2020 YTD	2019 YTD	2019 FY
<i>Total margin all products* (before free bets)</i>	4.7%	4.2%	5.3%	5.1%	5.1%	5.1%	5.0%	4.7%	5.1%	5.1%

\* Includes sports betting and casino & games, but excludes poker rakes and other revenues.

