



Henrik Tjärnström
CEO

Q1 2021
28 April 2021



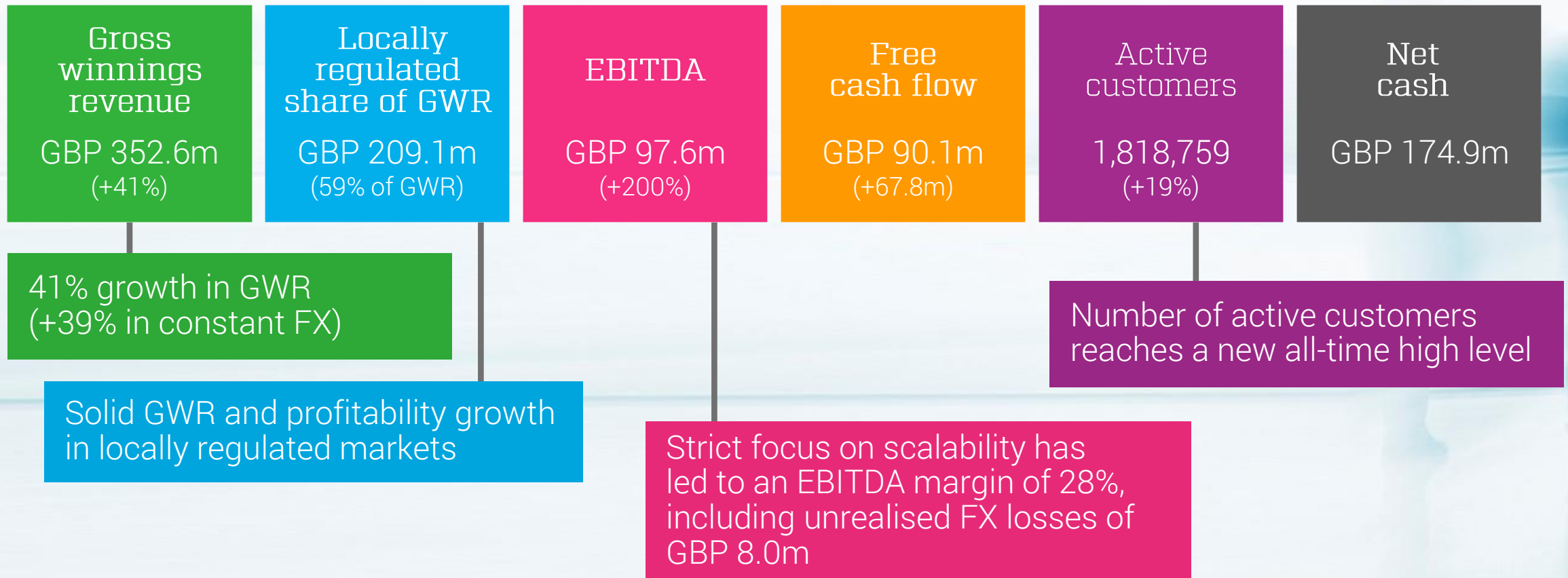
Outline

- Q1 2021 highlights
- General update
 - Continued shift from offline to online
 - Growing number of active customers
 - Focus on locally regulated markets
 - Sustainability
 - Regional update
 - Product segment update
- Financial results
- Summary



Continued strong momentum

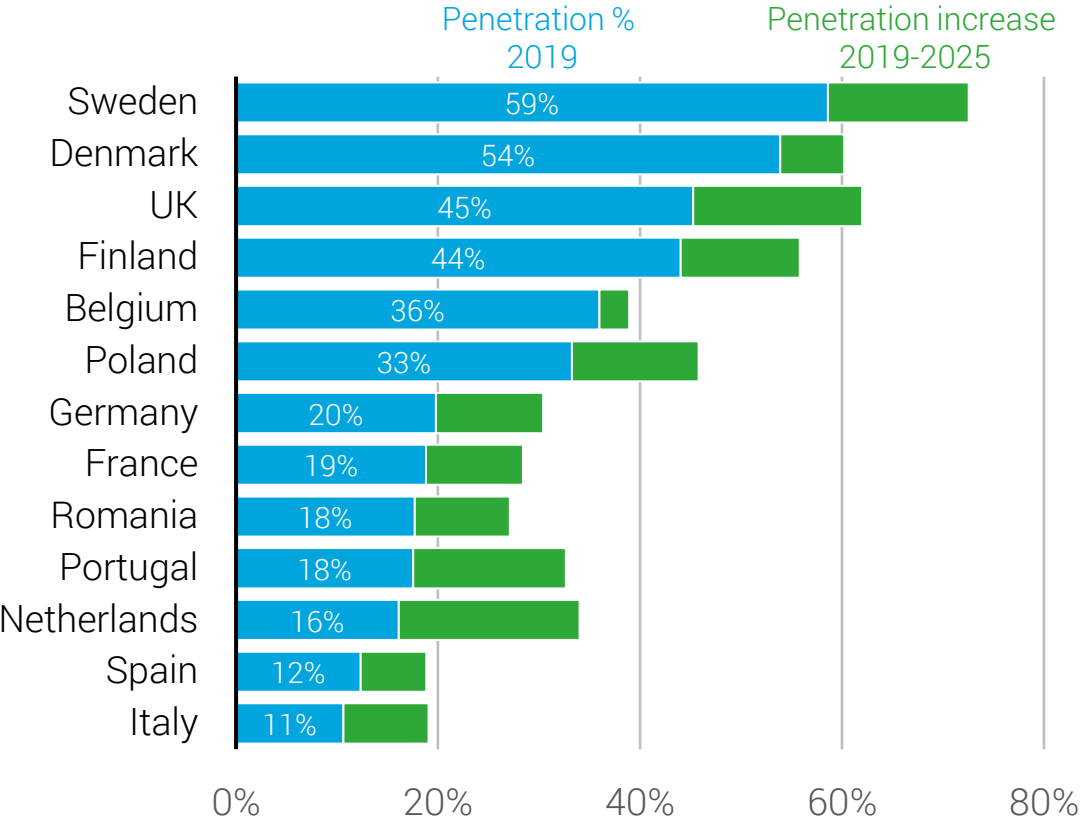
Q1 has started with the positive momentum from 2020 continuing across markets and product segments



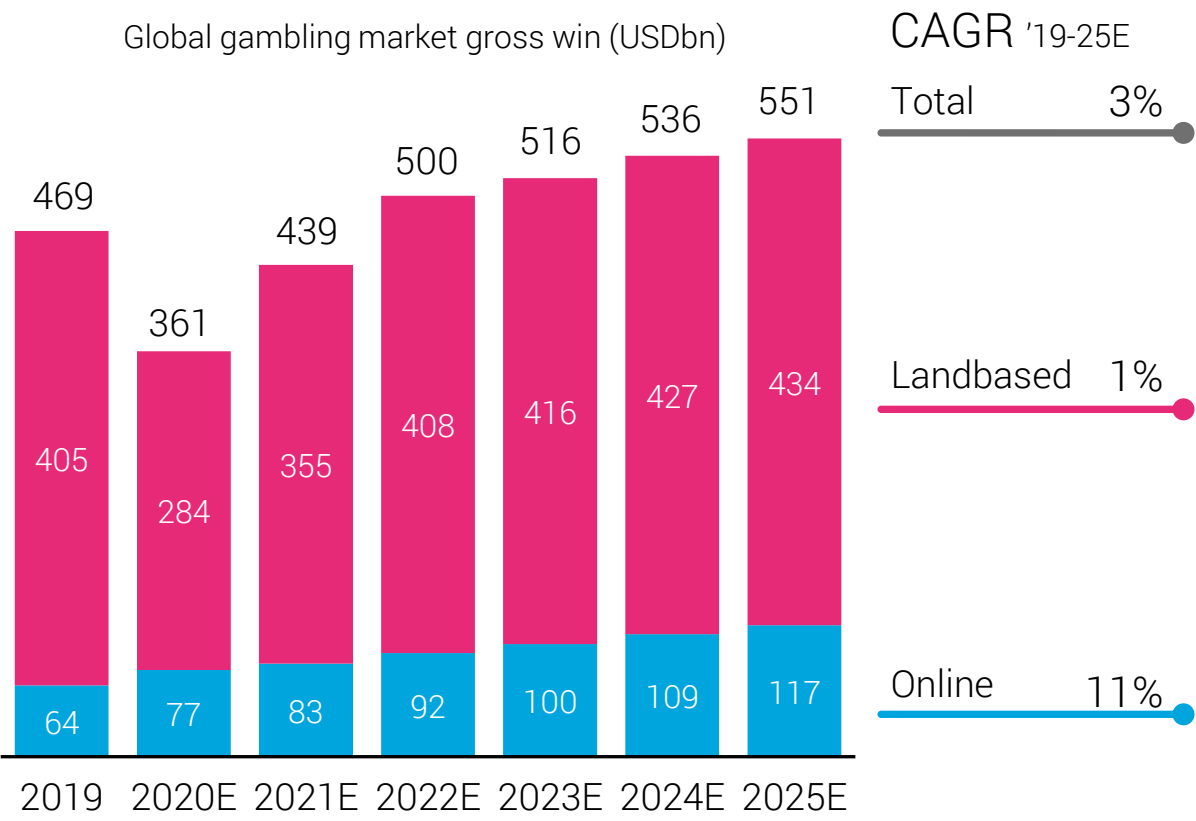
The shift from offline to online is accelerating



Online penetration is increasing rapidly but still large differences between markets



The shift from offline is expected to support strong growth of the global online market

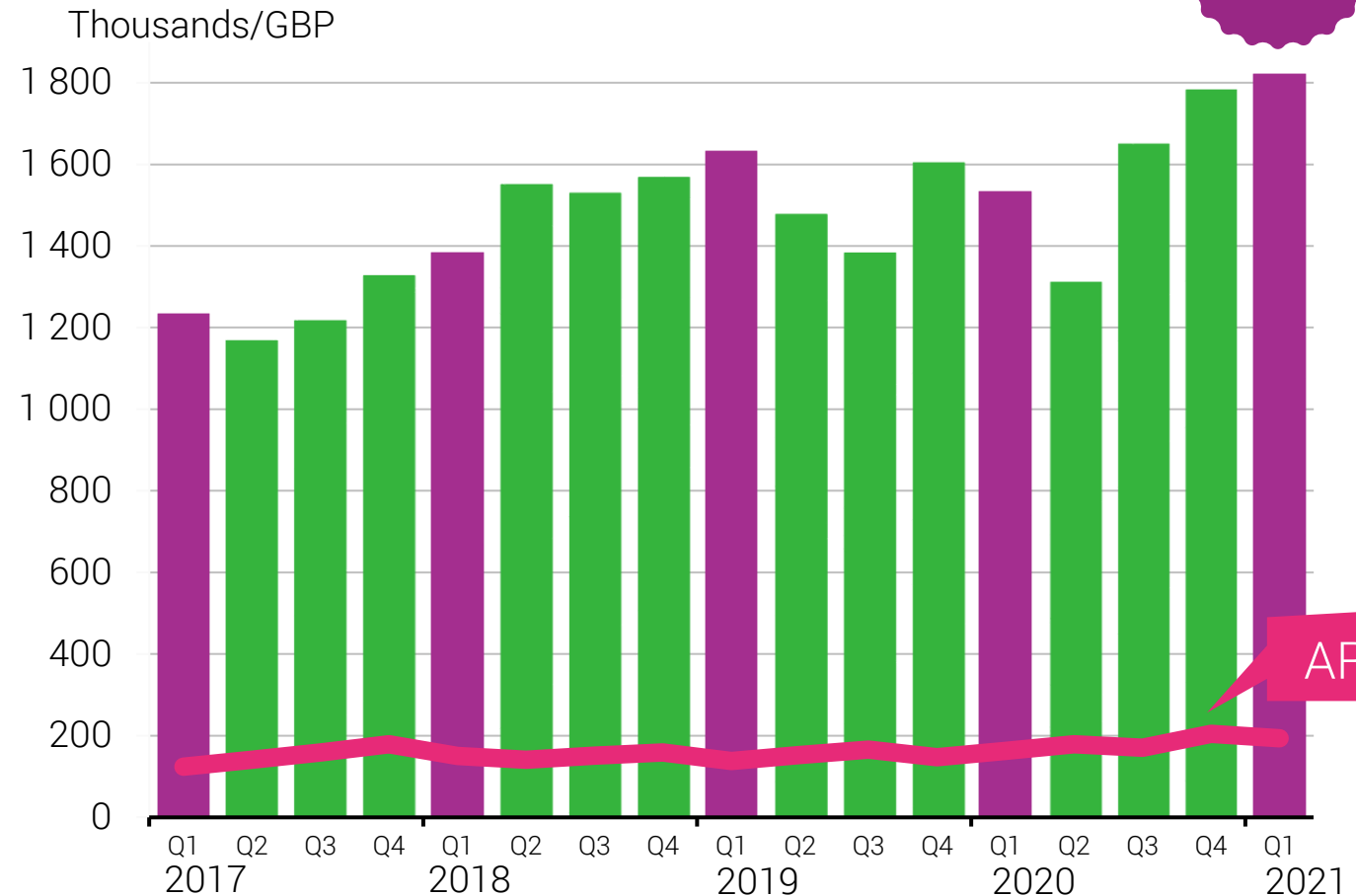


Source: H2 Gambling Capital April 2021

Number of active customers continues to increase



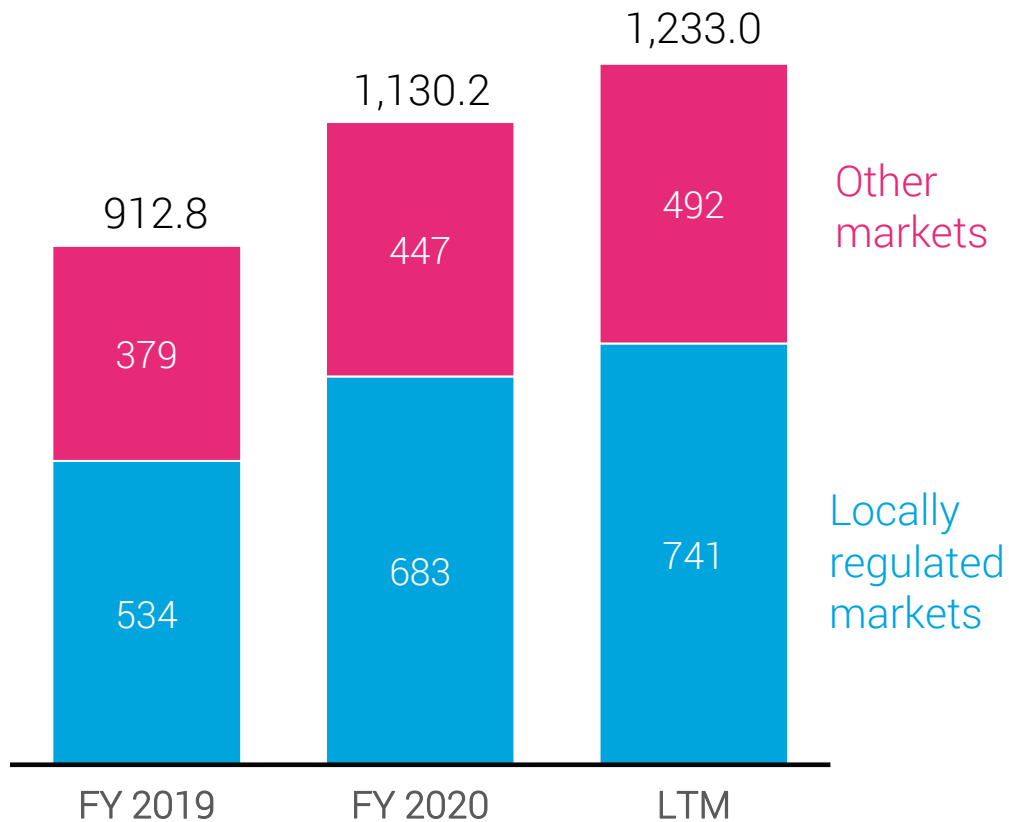
- The level of customer activity has remained high across the business
- Number of active customers reached approx. 1.82 million, an all-time high level and a 19% increase compared to Q1 2020
- The total number of registered customers increased to above 30m at the end of Q1 2021



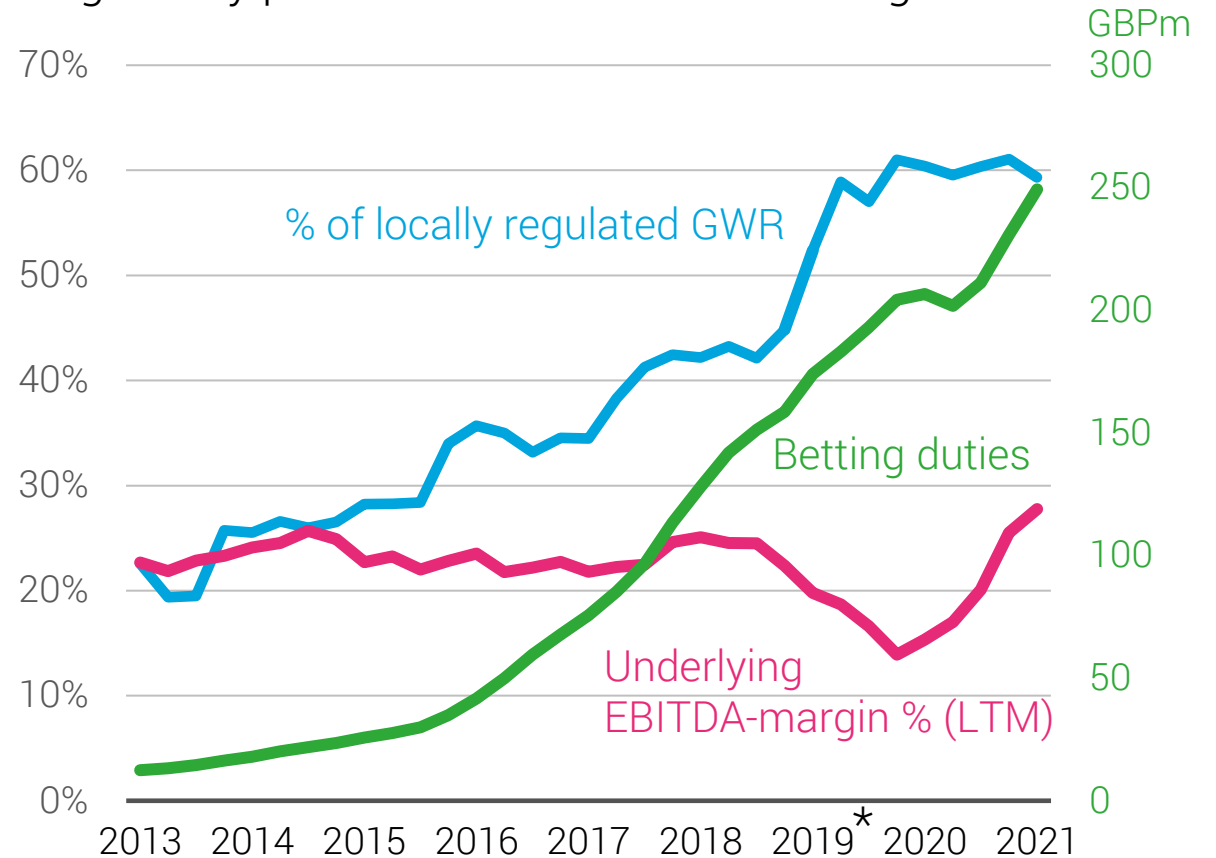


Focus on locally regulated markets

Strong GWR growth in locally regulated markets (GBPm)



Stable long-term profit margins despite short-term regulatory pressure and increased betting duties



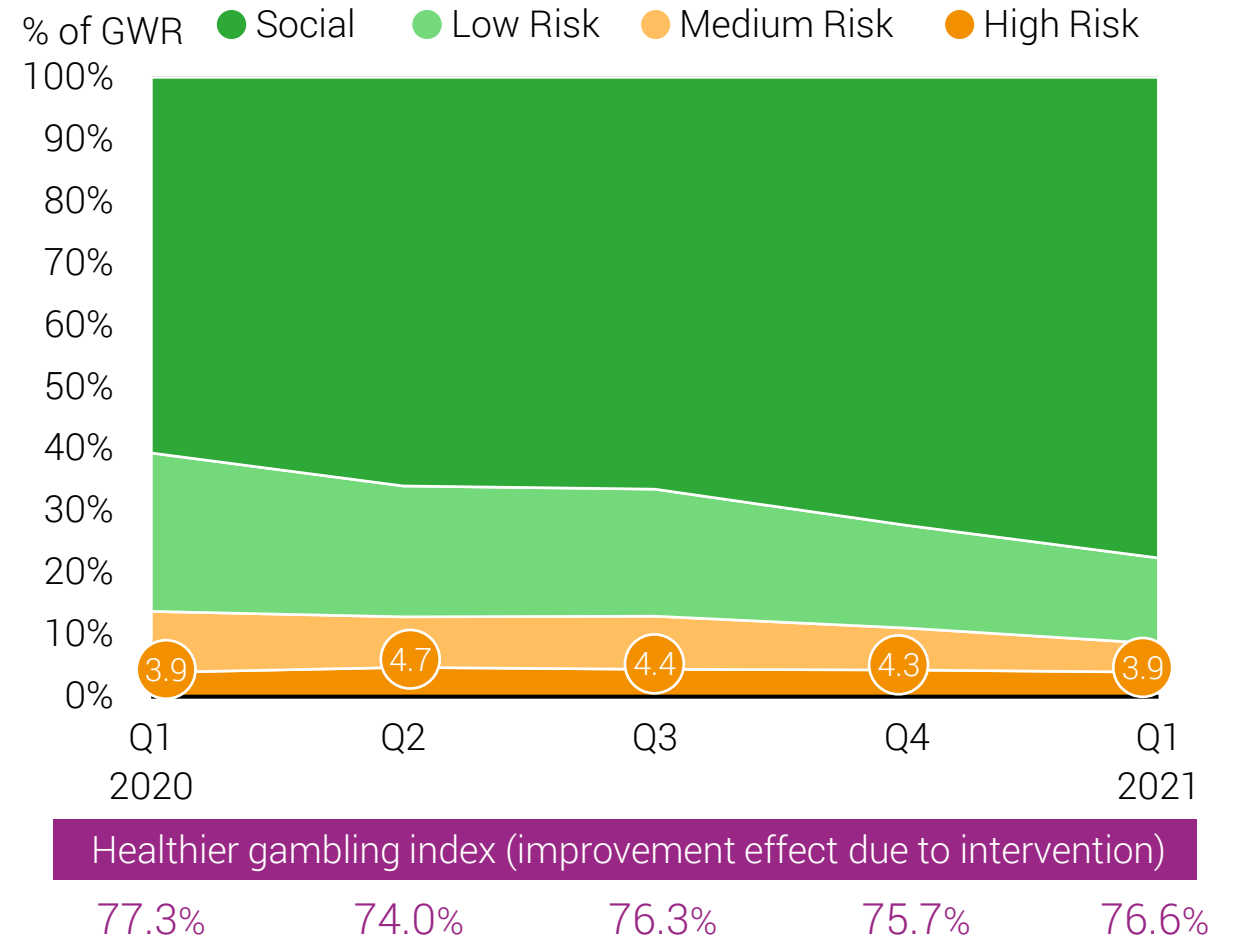
* 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to prior years.

Kindred has a sector leading approach to Sustainability



- The journey towards zero per cent of revenue from harmful gambling continues. Data from 21 Dec 2020 to 21 Mar 2021:
 - Share of GWR from high-risk players: 3.9%
 - Improvement effect after interventions: 76.6%
- Two research papers sponsored by Kindred reviewed and published
- Kindred offers the Gamban gambling blocking software tool for free to Unibet customers in the US
- Sports anti match-fixing projects with commercial partners and EFDN continue

Our journey towards zero





Regional update

Western Europe

- GWR increasing 58% vs. the same period 2020 driven by strong growth accross all main markets
- UK market grew by over 100%

Nordics

- GWR increased by 1% compared to Q1 2020
- Sweden impacted by temporary covid-19 measures with casino revenues declining compared to same period last year

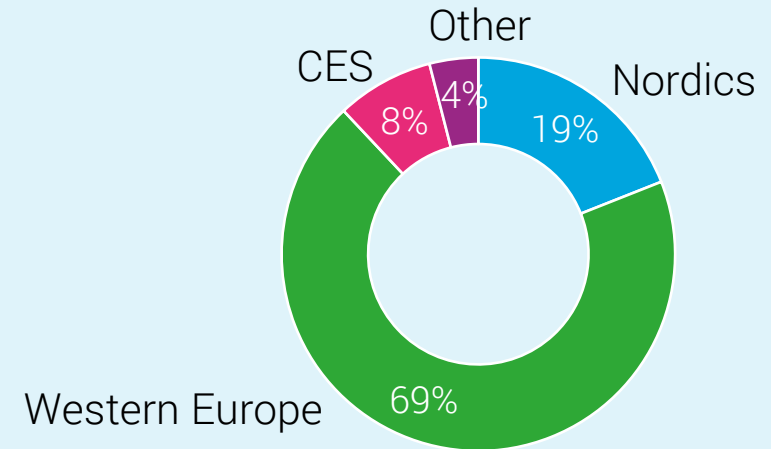
CES

- The Q1 2021 GWR increased by 33% vs. same period last year, with Romania as the biggest contributor to the growth

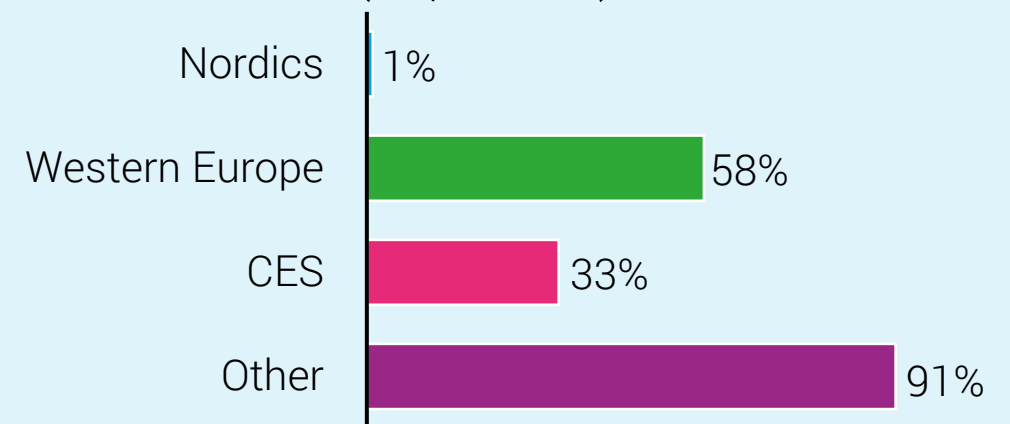
Other

- Other regions GWR grew by 91% driven by strong performance in both Australia and the US

GWR by region Q1 2021



GWR year-on-year growth
(as reported in GBP)

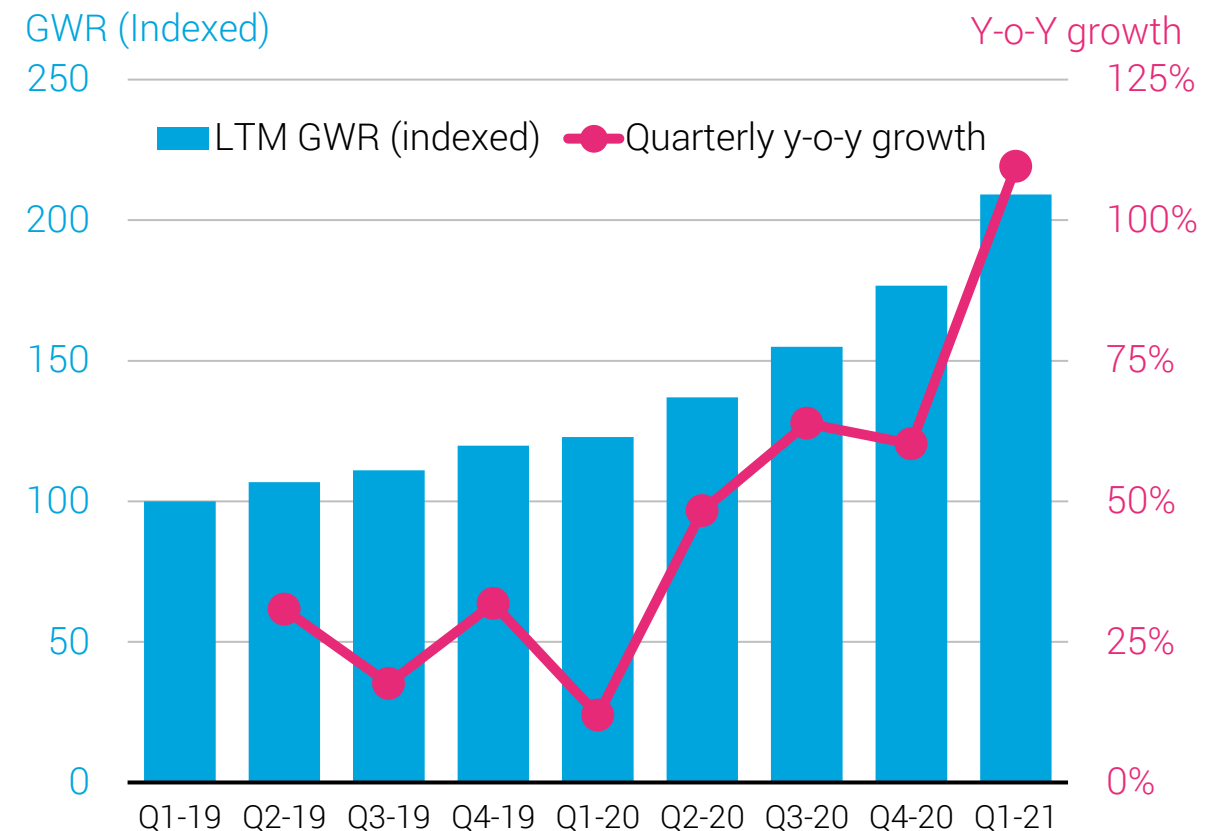


UK expansion a big success story for Kindred



- UK is the largest locally regulated market in the world and the total UK online market is estimated to have been worth approx. GBP 8bn* in 2020
- During the past two years, Kindred has outgrown the UK market by almost 3x
- The UK has been a long-term investment market for Kindred where the acquisitions of Stan James and 32Red laid the foundation for the accelerated organic growth
- The UK market has become one of Kindred's largest markets on the back of:
 - Sizeable and sustained marketing investment in our UK brands, Unibet and 32Red
 - 'Anglification' of our product with launch of own racing product and expansion of gaming suppliers
 - Operating beyond regulatory requirements for compliance
 - Obsession with efficiency

The UK has become one of Kindred's largest markets



*H2 Gambling Capital April 2021 (excl. lotteries)

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Long-term US opportunity

- ▶ The GWR amounted to GBP 7.4m in 2021 Q1, an increase of approx. 203% from Q1 2020 in local currency
 - Sequentially GWR declined by 2.8% versus Q4 2020 in local currency
- ▶ Last 12 months GWR contribution from the US amounted to approx. GBP 29m
- ▶ Strong player acquisition performance through focused marketing and bonus campaigns surrounding the Super Bowl and March Madness
- ▶ The total number of active customers in the US, increased by 92% in 2021 Q1 vs. 2020 Q1
- ▶ Our selective organic growth strategy is also moving forward as planned, with launch into our fourth state, Virginia, planned for 28 April 2021

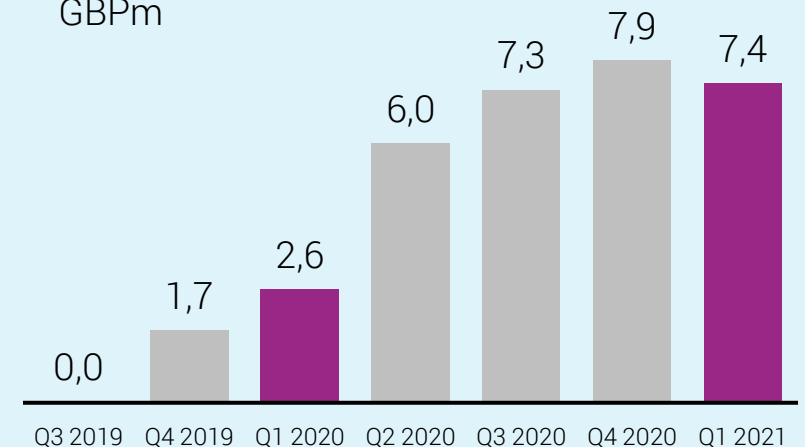
US operations Q1 2020

GBPm

GWR	7.4
CoS	-7.1
Marketing	-5.4
Admin expenses	-1.2
EBITDA	-6.3

US GWR development by quarter

GBPm



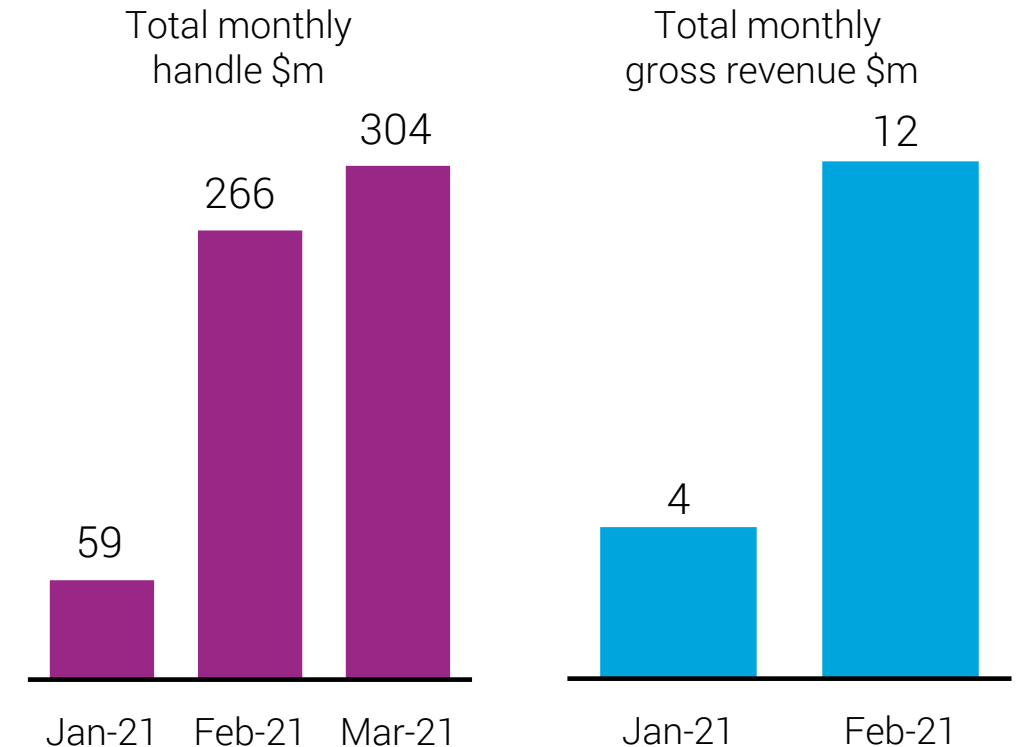
Kindred continues to expand in the US and adds Virginia to the list of states



- Virginia Lottery has awarded Kindred one of the 7 direct mobile sports betting permits in a highly competitive process
- Virginia is one of the largest states in the US market and mobile sport betting is expected to reach over \$370m in annual revenues at maturity
- The plan is to go live in Virginia on 28 April and thereby be one of the first movers in the state
- Virginia will be a key state in Kindred's East Coast expansion and the plan is to open an office in Virginia



The Virginia online sportsbetting market opened in January 2021

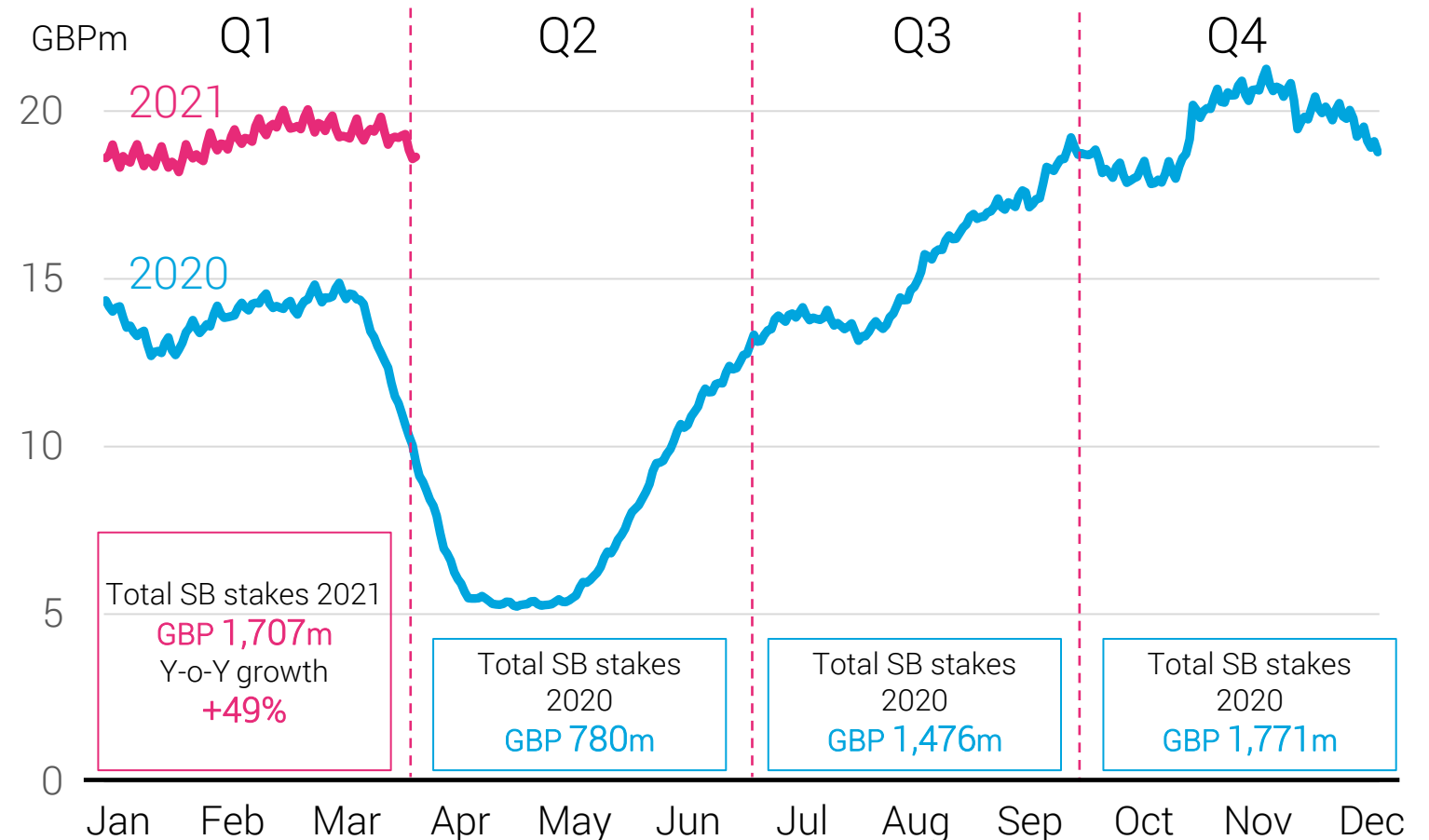


Continued strong development in sports

- Sustained strong demand for sports and entertainment from customers
- Busy sports calendar and spacing between matches produces less cannibalisation of bets which continues to be beneficial for turnover per match
- Q1 sportsbook turnover grew by 49% year-on-year



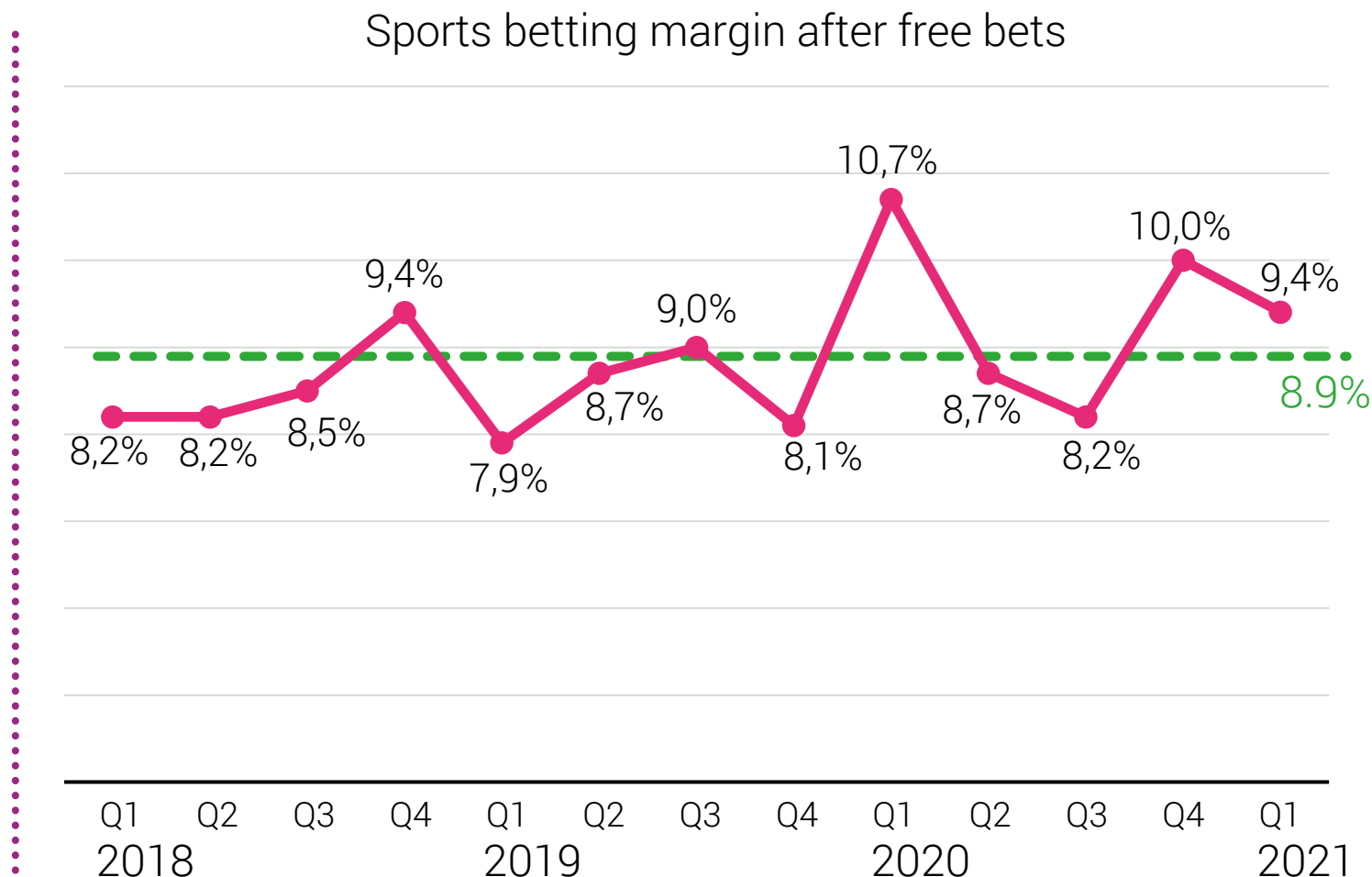
Rolling 30 days average daily sportsbook turnover



Q1 sports betting margin slightly higher than the long-term average



- The sports betting margin in Q1 2021, was 9.4% after free bets
- Q1 margin slightly above long-term average driven by a large amounts of upsets across the European football leagues especially during the beginning of the quarter
- The weighted long-term (since beginning of 2018) average sports betting margin after free bets is 8.9%
- In recent years, the average sports betting margin has increased due to the fact that the French sports business has grown faster than the average growth for other markets





Product segment update

Sports Betting

- Continued high activity with busy sports calendar and high turnover
- Strong quarter for racing with significant growth across actives, turnover, and GWR
- GWR increased by 30% compared to Q1 2020 despite lower sports betting margin

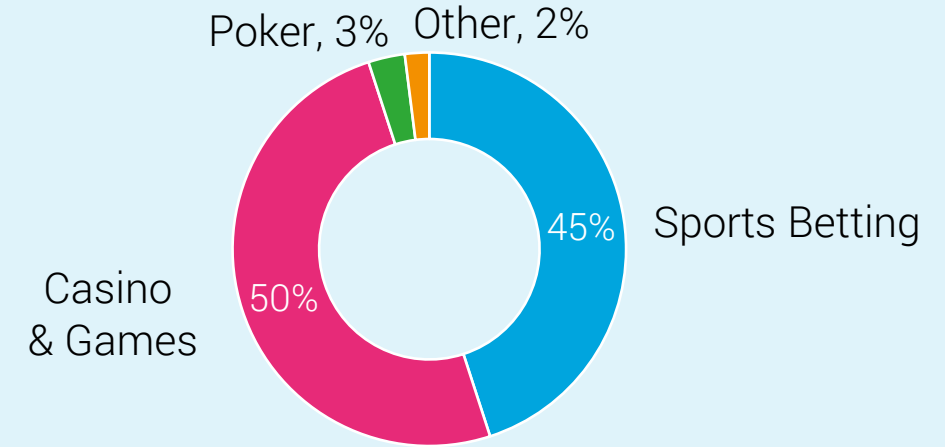
Casino and games

- Q1 2021 was Kindred's best performing quarter ever for casino & games in terms of actives, turnover and GWR
- GWR increased by 56% compared to Q1 2020

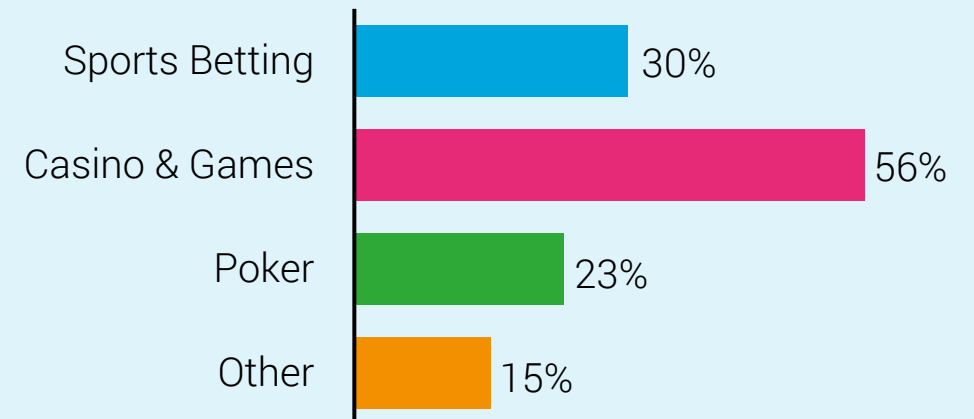
Poker and other products

- The strong growth in Sports Betting and Casino also transcends to poker and other products
- GWR for poker increased by 23% compared Q1 2020, with France leading the way for overall growth

GWR by product segment Q1 2021



GWR year-on-year growth



NEW

WATCH AND BET

LIVE



See the film and
read more here

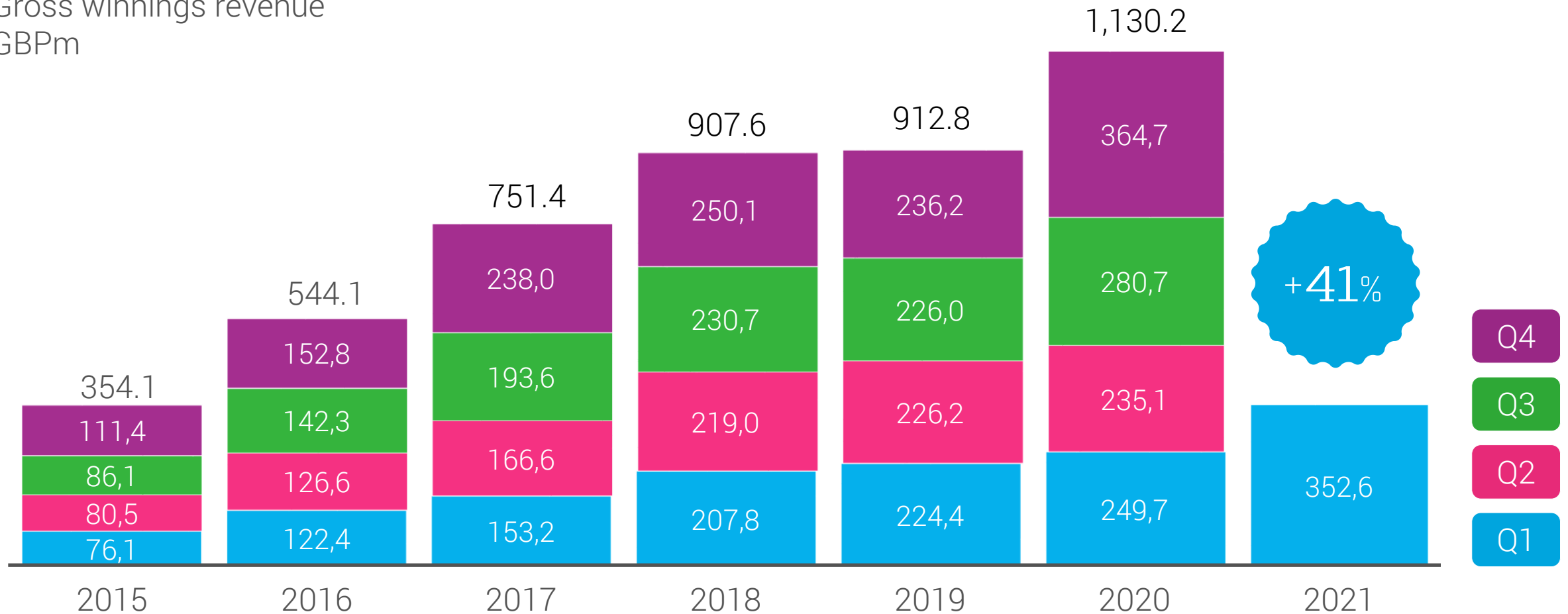


Financial results



The growth journey continues

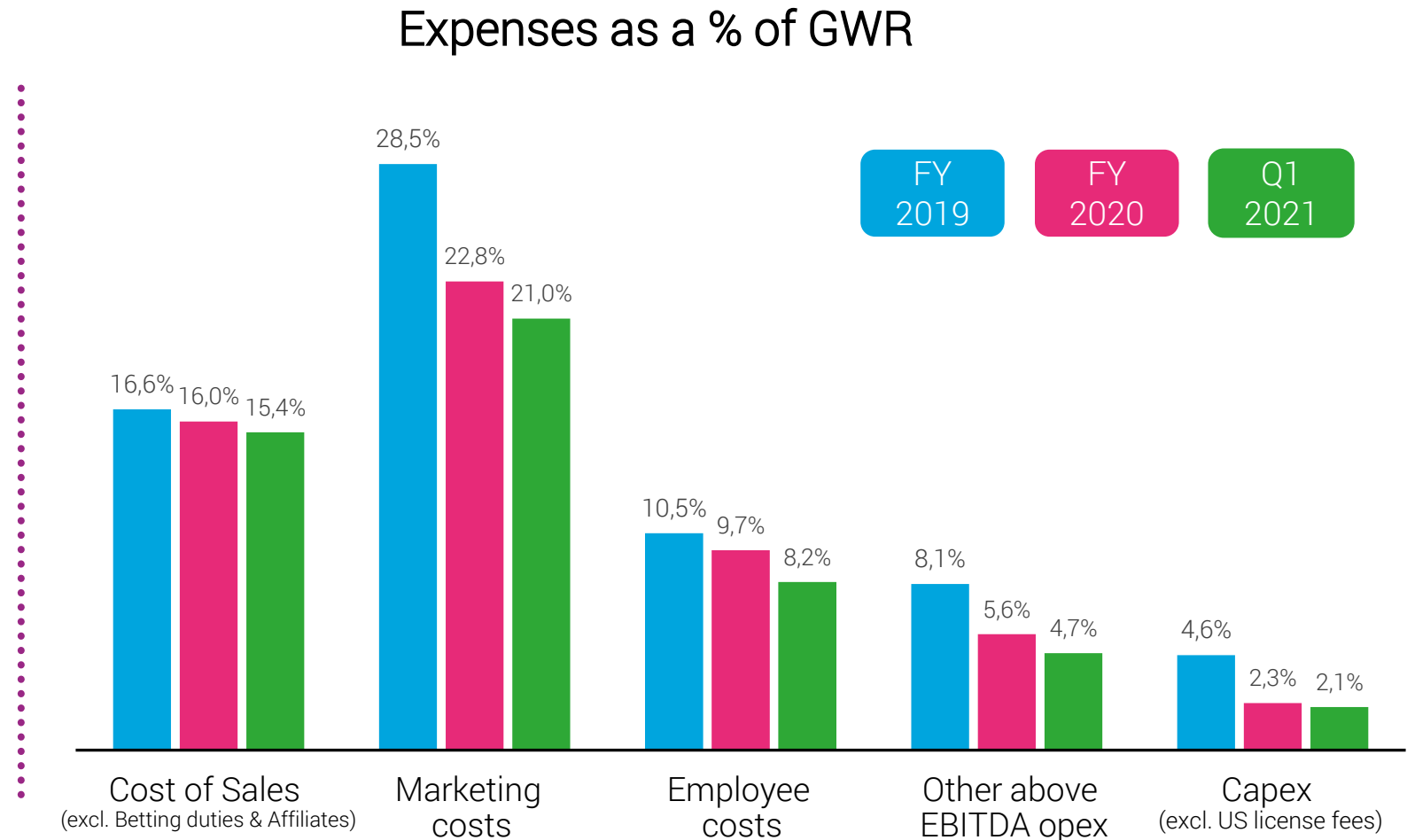
Gross winnings revenue
GBPm





Continued focus on scalability yields results

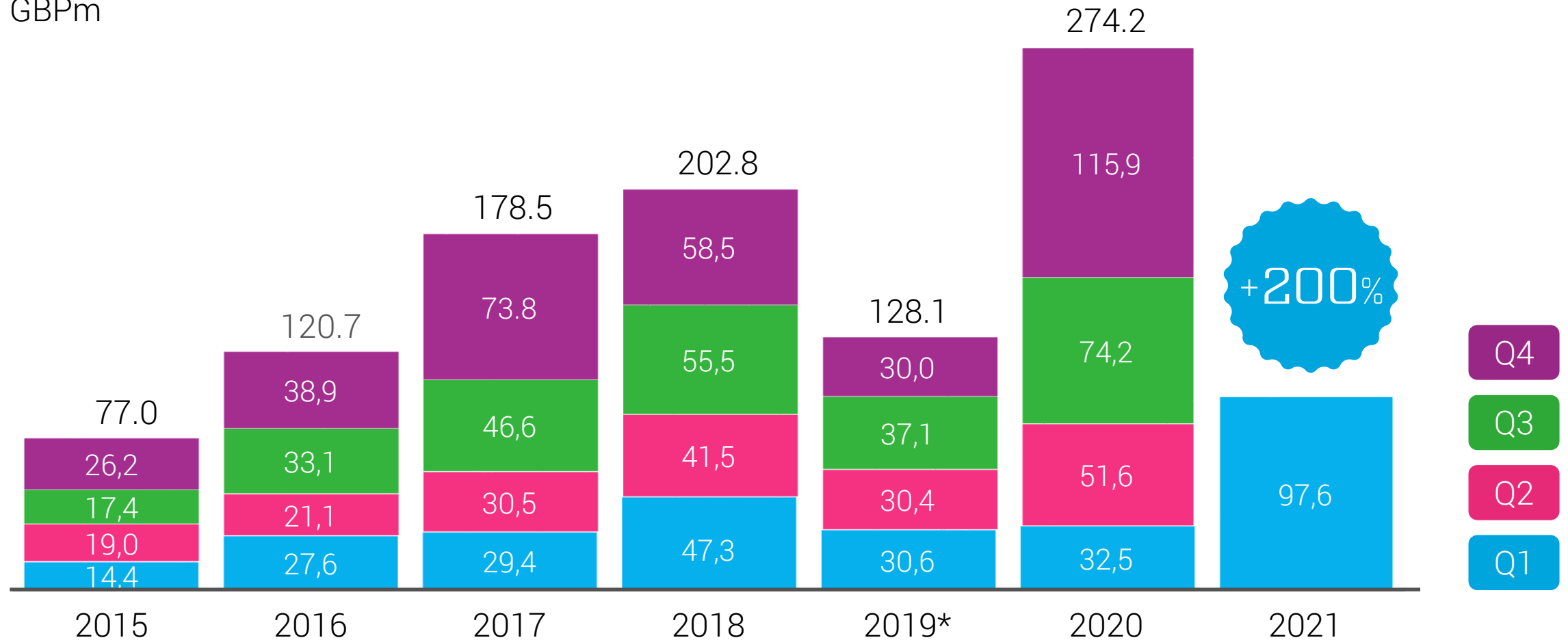
- Scalability across all main costs items with 2020 cost reduction program continuing to yield results
- Cost of sales (excl. Betting duties and affiliates) reduced to 15.4% of GWR driven by cost efficiencies negotiated and achieved already during 2020
- Marketing expenses as % of GWR reduced to 21% as a result of significant marketing efficiencies and strong business performance in the quarter
- The total headcount at the end of Q1 was more than 5% lower than at same time last year





EBITDA – Clear sign of scalability in Q1

GBPm



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



Q1 2021 P&L FX impact v Q1 2020

Avg rate	Q1 2020	Q1 2021	Movement
AUD	1.945	1.785	9.0%
DKK	8.675	8.509	2.0%
EUR	1.161	1.144	1.5%
NOK	12.117	11.738	3.2%
SEK	12.377	11.577	6.9%
USD	1.238	1.379	-10.2%

Weighted average impact of FX rates on GWR was a positive impact of approx. 2%

GBPm

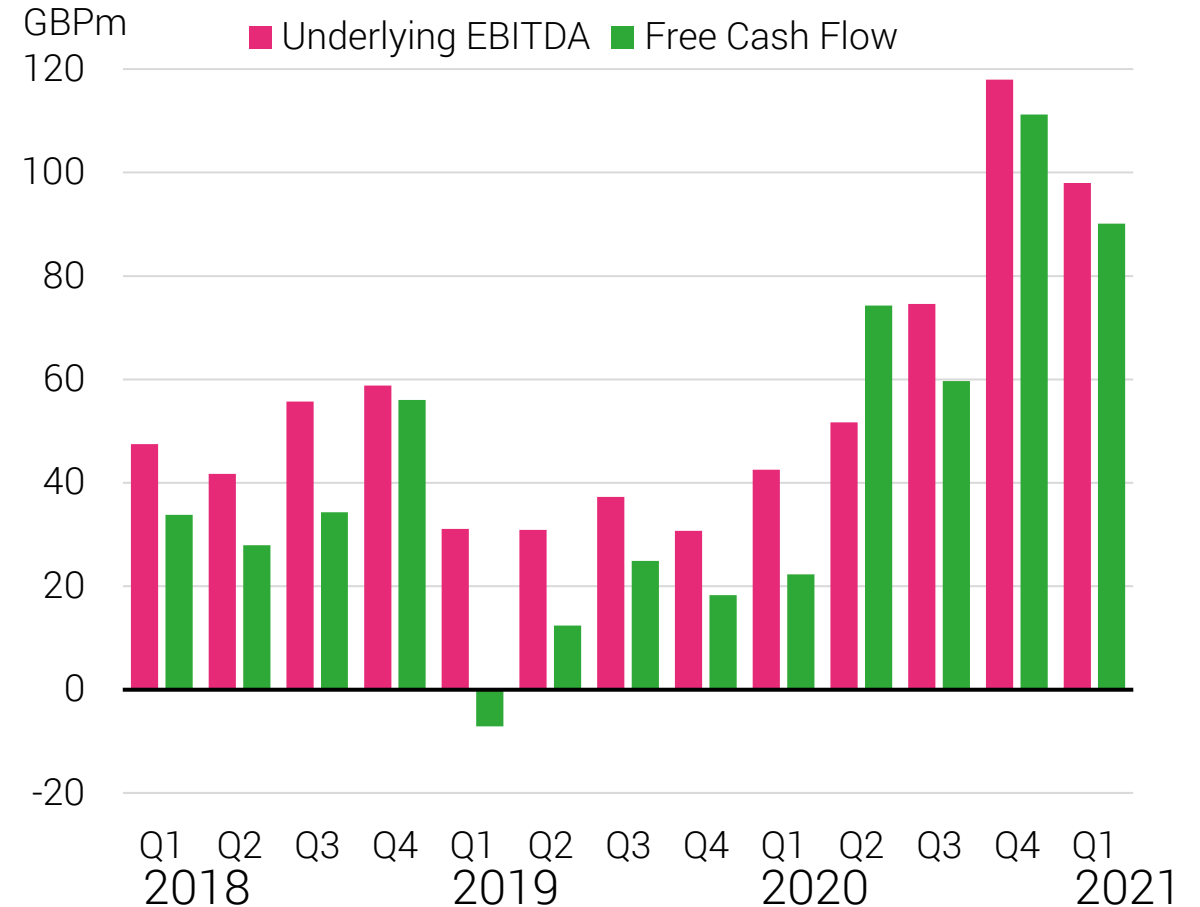
Gross winnings revenue	5.3
Cost of sales / Opex	-2.9
FX loss on operating items	-8.0
EBITDA FX impact Q1 2021	-5.6
Other items below EBITDA	-0.3
Profit before tax impact Q1 2021	-5.9

During Q1 2021, the FX impact on operating items was a loss of GBP 8.0m. This primarily comprises unrealised FX differences from the retranslation of the Group's significant cash balances



Continued strong cash flow generation

- Free cash flow generated during Q1 amounted to GBP 90.1m driven by strong underlying profitability and positive net working capital movements
- Continued strong cash conversion*, Q1 2021 was 92%
- During Q1, 1,032,500 shares/SDRs were repurchased at a total price of GBP 12.4m
- At the end of Q1, the net cash position reached GBP 174.9m which is an increase by GBP 70.2m compared to the end of Q4 2020



*Cash conversion is defined as free cash flow divided by underlying EBITDA

A solid start of Q2 in the run up to the Euros

- 2021 is set to be a big year for sporting events with the UEFA Euro 2020 that will be one of the largest betting events in history
- Kindred is in a good position to benefit from these events building on its strong momentum and record high customer activity
- Q2 has started off well with the average daily GWR for the first 25 days in April being 52 per cent (55 per cent in constant currency) higher than the full Q2 2020



An exciting summer of sports ahead!

Q1 2021 summary

Key Report Highlights



Gross winnings
revenue

GBP 352.6m
(+41%)

Locally regulated
share of GWR

GBP 209.1m
(59% of GWR)

EBITDA

GBP 97.6m
(+200%)

Share of
GWR from
high-risk
players

3.9%

Free cash flow

GBP 90.1m
(+67.8m)

Active customers

1,818,759
(+19%)

Net cash

GBP
174.9m



Q&A

Contact



Investor Relations
Patrick Kortman

 +46 723 877 438

 ir@kindredgroup.com

Calendar



23 July 2021
Q2 will be published at 7.30 CET



27 October 2021
Q3 will be published at 7.30 CET

