

Kindred Group Press Release

Malta, 2 July 2021

Kindred acquires Relax Gaming to strengthen its focus on product differentiation and customer experience

Kindred Group has signed an agreement to acquire the remaining outstanding shares in Relax Gaming, a leading and rapidly growing B2B iGaming supplier, at an implied valuation of up to EUR 320 million for 100 per cent of the shares on a cash free and debt free basis. Kindred has been invested in Relax Gaming since 2013 and the transaction will allow Kindred to acquire the remaining 66.6 per cent of the outstanding shares. The acquisition accelerates Kindred's strategy to increase its focus on product and customer experience by strengthening Kindred's product control and product differentiation capabilities.

Kindred Group plc (Kindred) has signed an agreement to acquire the remaining 66.6 per cent of the outstanding shares in Relax Gaming. The transaction values the company at up to EUR 320 million on a cash and debt free basis (Enterprise value) and a total value of the outstanding shares of approximately EUR 295 million (Equity value). Kindred will pay an initial consideration, settled in cash upon completion, of approximately EUR 80 million (on a cash and debt free basis). In addition to the initial consideration, the maximum earn-out payments amount to EUR 113 million and may become payable in 2022 and 2023, subject to Relax Gaming achieving certain earnings thresholds. The transaction will be financed through Kindred's existing cash and credit facilities.

Relax Gaming is a market leading B2B iGaming software supplier that designs and develops online casino games, supported by an open distribution platform for third party aggregation as well as proprietary poker and bingo products. The company was founded in 2010 and has today c. 240 full-time employees with four main hubs in Malta, Estonia, Sweden and Serbia. Kindred has been invested in Relax Gaming since 2013 and was prior to the transaction the largest owner with 33.4 per cent of the outstanding shares.

"Through this acquisition we add a rapidly growing and profitable B2B business with a world-class product portfolio, giving us greater control over our casino, poker and bingo offering, putting Kindred in a significantly better position to achieve our long-term strategy to increase our focus on product differentiation and customer experience", says Henrik Tjärnström, CEO at Kindred Group.

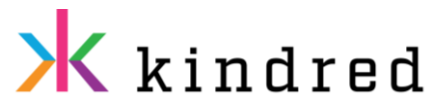
"Joining Kindred Group comes as a natural next step in our long-standing cooperation with Kindred across all our product verticals. Kindred's strengthened presence will allow Relax Gaming to further invest in and accelerate the expansion of our B2B offering across the globe. We will continue the Relax Gaming journey as a separate B2B entity with unchanged product portfolio and overall strategy, staying true to our values and respecting the hard-earned trust of our customers. Our continued independence is a key element of the transaction, and I am happy to remain on the board of Relax Gaming", comments Patrik Österåker, Co-founder and Chairman of the Board at the Relax Gaming.

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Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, Malta. Company No: C 39017. Registered in Malta.





Relax Gaming currently supplies poker and bingo content on an exclusive basis to Kindred along with high quality casino content. The acquisition is expected to generate annual run-rate synergies of EUR 8 million within the next three years for the Group driven especially by lower investment needs and reduced cost of sales. With Relax Gaming as an important addition to the Group, Kindred will be able to further develop its own proprietary product portfolio, and thereby secure unique content differentiation in line with the [Group's strategic direction](#).

In order to secure continued integrity of Relax Gaming's B2B customers, Kindred's intention is to keep Relax Gaming as an independent entity within the Group with a separate Board of Directors and management team. Kindred's ambition is to continue to invest in Relax Gaming to cement its position as a leading B2B iGaming supplier by further strengthening Relax Gaming's product offering and by broadening their B2B customer base. In conjunction with the completion of the transaction, all existing employee share option programs in Relax Gaming will be exercised, and Relax Gaming's management, who is committed to the future success of the company, will retain an ownership of c. seven per cent of total fully diluted shares in the company and Kindred's ownership in Relax Gaming will be c. 93 per cent after the completion of the transaction and the exercise of the options.

In the last twelve months leading up to May 2021, Relax Gaming generated revenues of approximately EUR 25 million with an EBITDA of approximately EUR 10 million.

The transaction is conditional to customary regulatory approvals and is expected to be completed in the fourth quarter of 2021.

J.P. Morgan has acted as financial advisor and Cirio Advokatbyrå has acted as legal advisor to Kindred in connection with the transaction.

Roschier Attorneys Ltd acted as the legal advisor to the shareholders of Relax Holding Limited in the transaction.

This disclosure contains information that Kindred Group is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014) and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person, on 02-07-2021 07:30 CET.

For more information:

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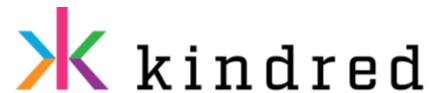
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Webcast

Kindred Group's CEO Henrik Tjärnström will host a web presentation in English about the acquisition today at 10.00 (CEST). The presentation is webcasted live on <https://tv.streamfabriken.com/press-conference-july-2021>. For those who would like to participate in the telephone conference in connection with the presentation, please call:

UK: +44 3333000804, PIN: 17212748#

US: +1 6319131422, PIN: 17212748#

Se: +46 856642651, PIN: 17212748#

Please call in well in advance for registration. There will be an opportunity to ask questions after the presentation.

About Kindred Group

Kindred Group is one of the world's leading online gambling operators with business across Europe, US and Australia, offering over 30 million customers across 9 brands a great form of entertainment in a safe, fair and sustainable environment. The company, which employs about 1,600 people, is listed on Nasdaq Stockholm Large Cap and is a member of the European Gaming and Betting Association (EGBA) and founding member of IBIA (International Betting Integrity) Association. Kindred Group is audited and certified by eCOGRA for compliance with the 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). Read more on www.kindredgroup.com.

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