



Henrik Tjärnström
CEO

Q2 2022 | 22 July 2022

Outline



Q2 2022 highlights

Business overview

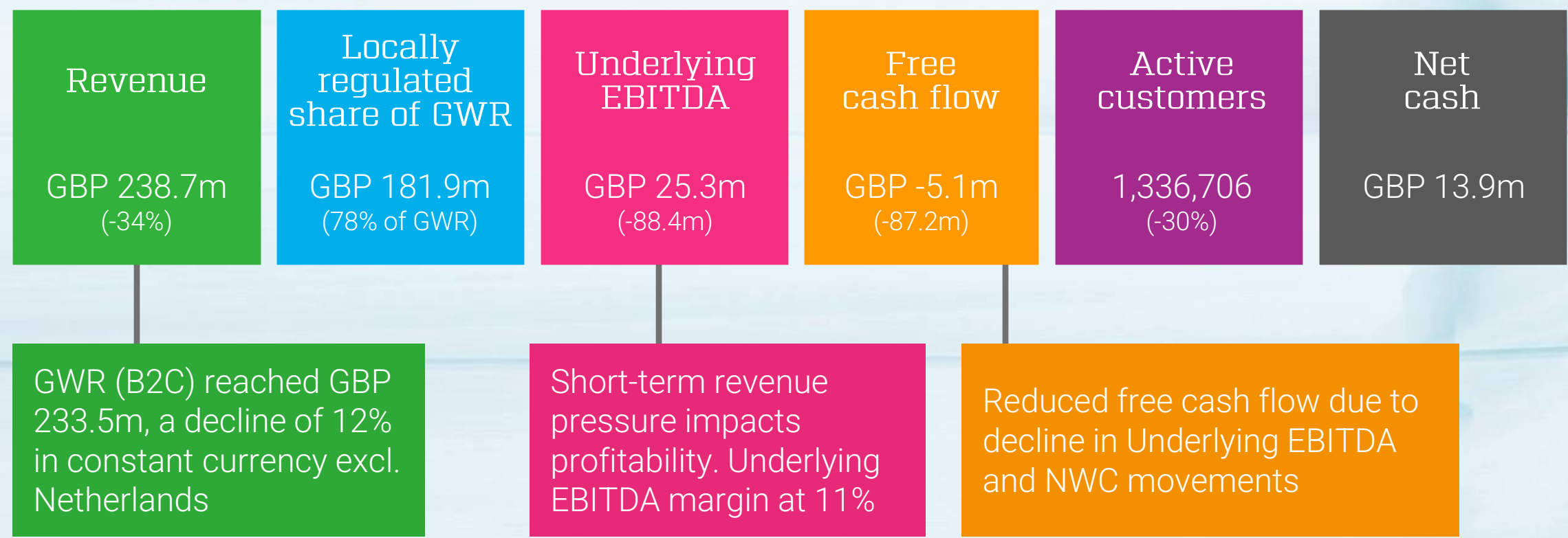
- Q2 performance
- Focus on locally regulated markets
- Product segment update
- Regional update
- Netherlands
- North America
- Relax & KSP
- Sustainability

Summary

Dutch market access now in place and strategic execution continues



The decision to temporarily cease activity in the Netherlands and tough comparatives led to a substantial topline decline which has reduced our short-term profitability

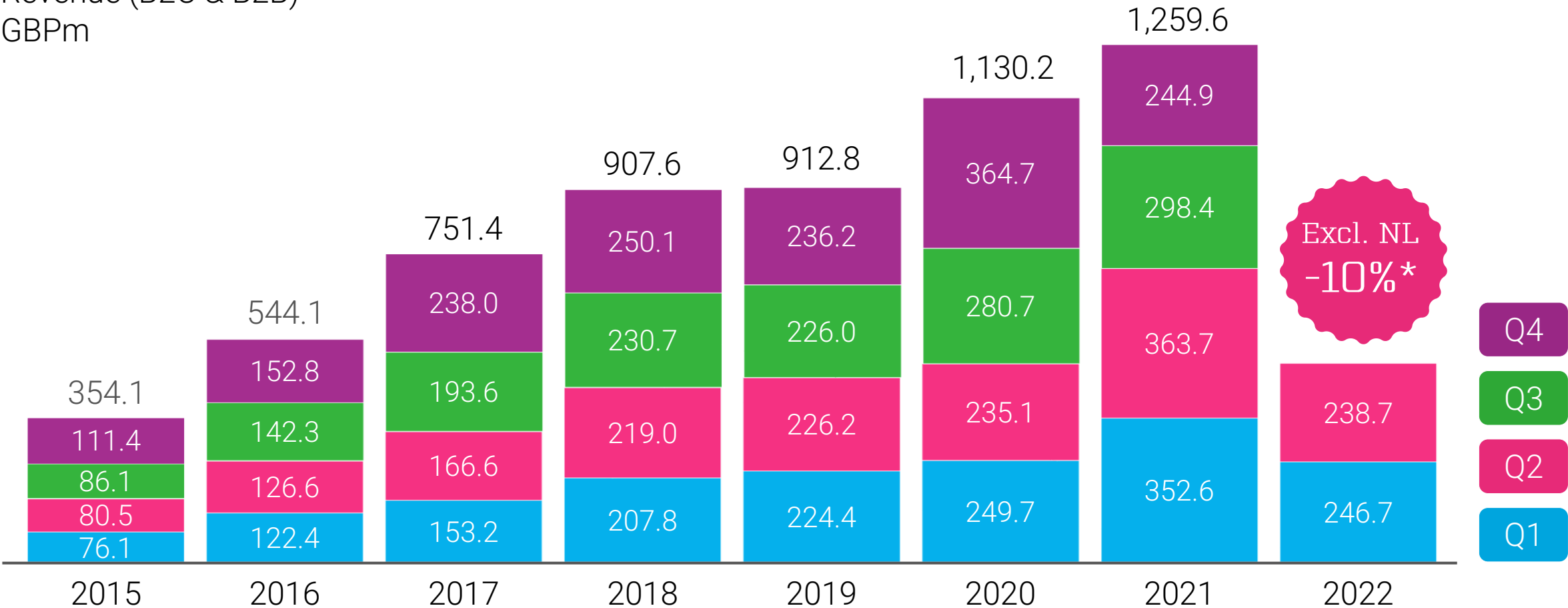


Decline in revenue against tough comparatives



Ceased activity from Netherlands and lower sports betting margins resulted in a year-on-year decline against strong comparatives boosted by the EURO 2020

Revenue (B2C & B2B)
GBPm



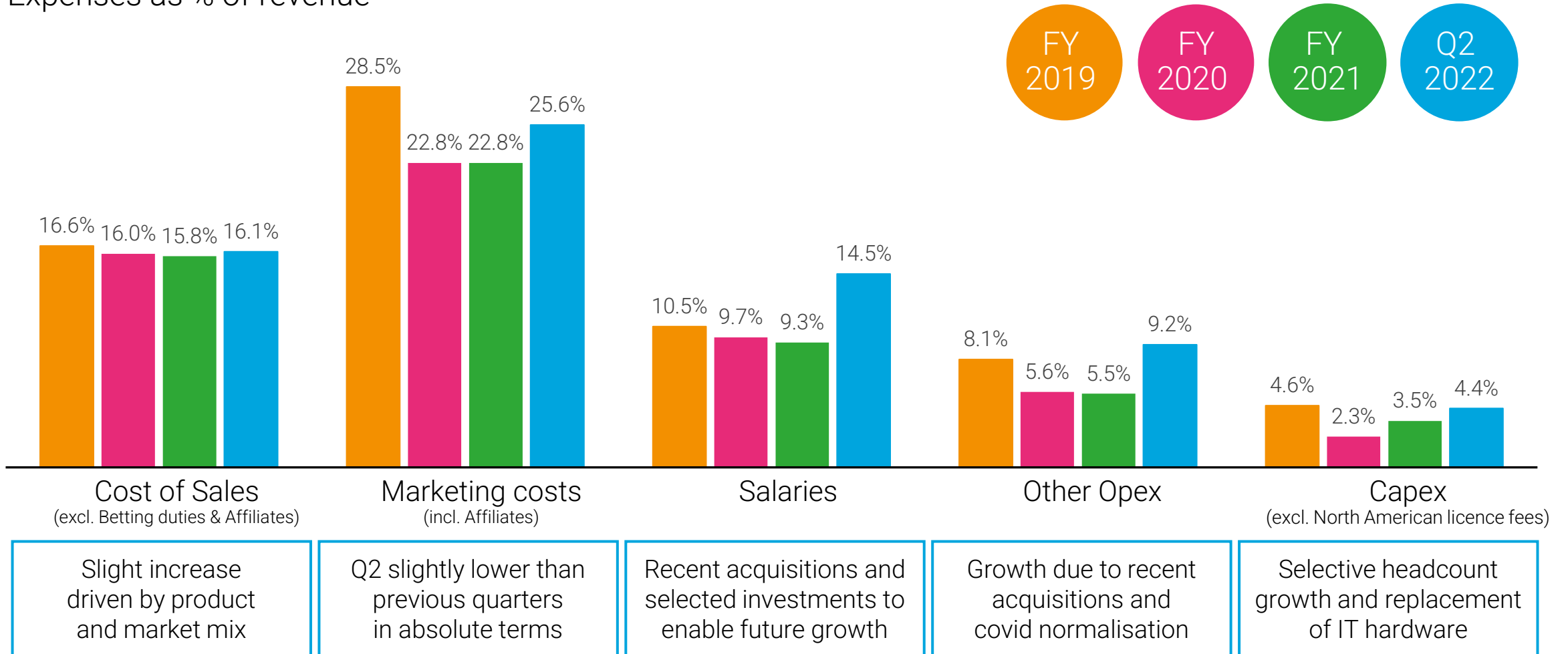
* Q2 year-on-year revenue decline excl. Netherlands in constant currency

Short term revenue pressure impacts margins

Exit from Netherlands and recent acquisitions impact historical comparison



Expenses as % of revenue

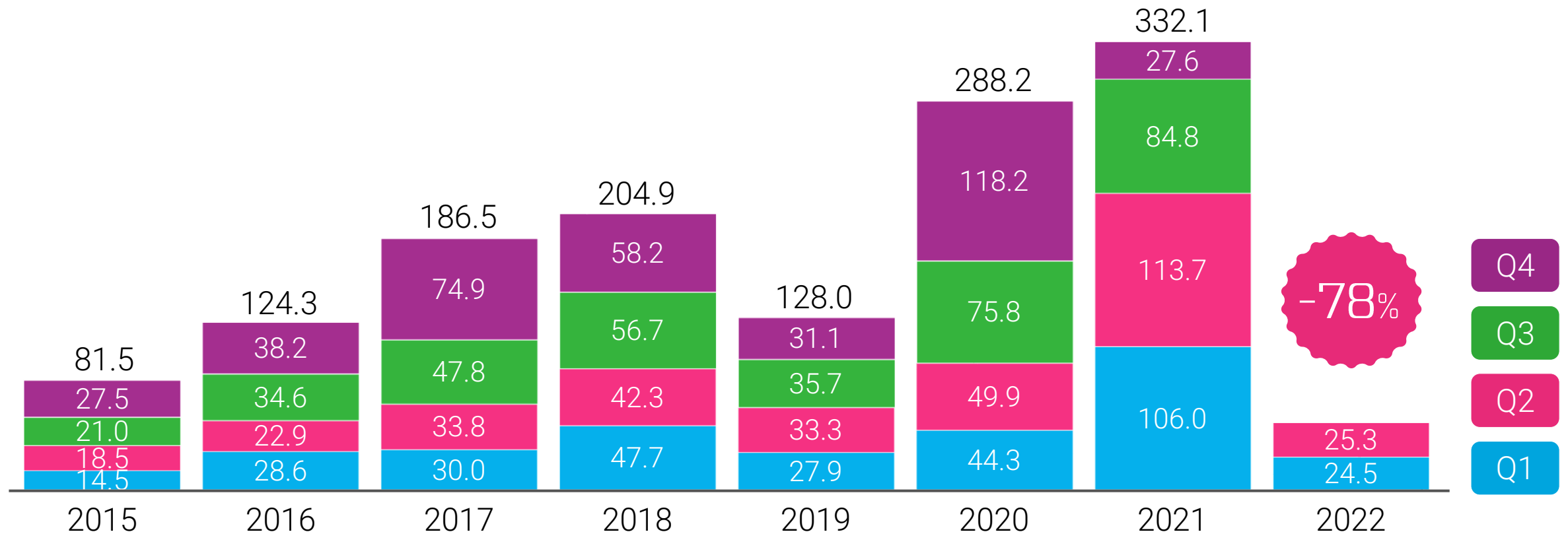


Significant decline in underlying EBITDA

Excluding North America, underlying EBITDA in Q2 2022 reached approx. GBP 32.7m



Underlying EBITDA*
(GBPm)



* From Q4 2021, the definition of underlying EBITDA has been updated and for ease of comparison, the historical figures shown in the graph have also been updated



Q2 2022 P&L FX impact vs Q2 2021

Avg rate	Q2 2021	Q2 2022	Movement
AUD	1.816	1.758	3.2%
DKK	8.630	8.776	-1.7%
EUR	1.160	1.180	-1.7%
NOK	11.711	11.820	-0.9%
SEK	11.773	12.352	-4.9%
USD	1.398	1.257	10.1%

Weighted average impact of FX rates on GWR was a negative impact of approx. 1%

	GBPm
Revenue	-3.5
Cost of sales / Opex	1.9
FX loss on operating items	-2.3
EBITDA FX impact Q2 2022	-3.9
FX gain on dividend	0.2
Other items below EBITDA	0.1
Profit after tax impact Q2 2022	-3.5

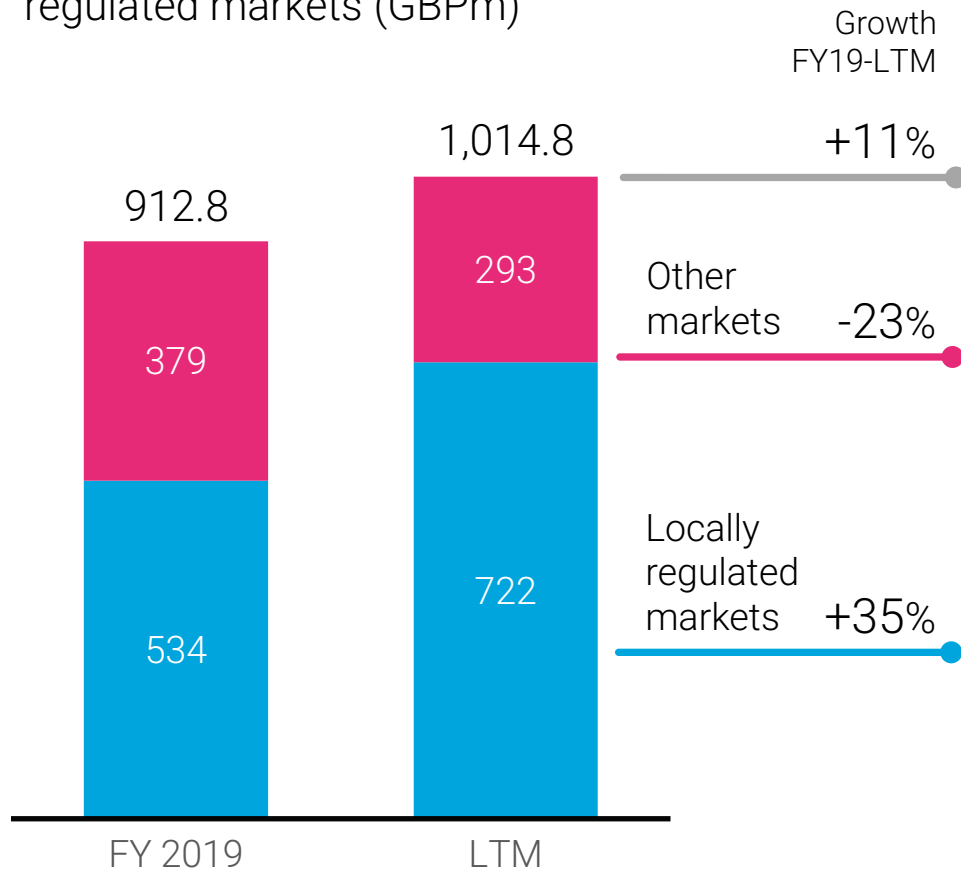


Business overview

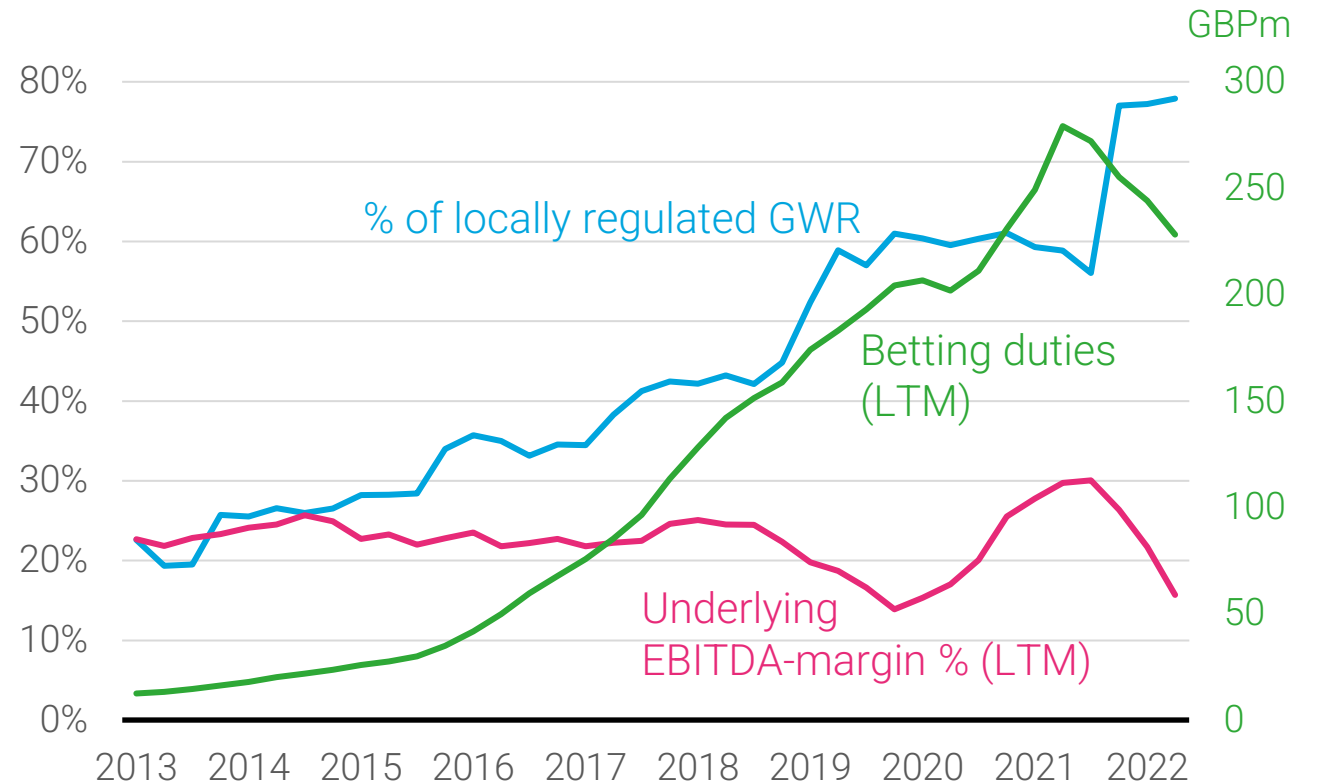


Share of locally regulated GWR at 78% in Q2

Strong GWR growth in locally regulated markets (GBPm)



Transition towards locally regulated markets continues - stable long-term profit margins despite short-term regulatory headwinds

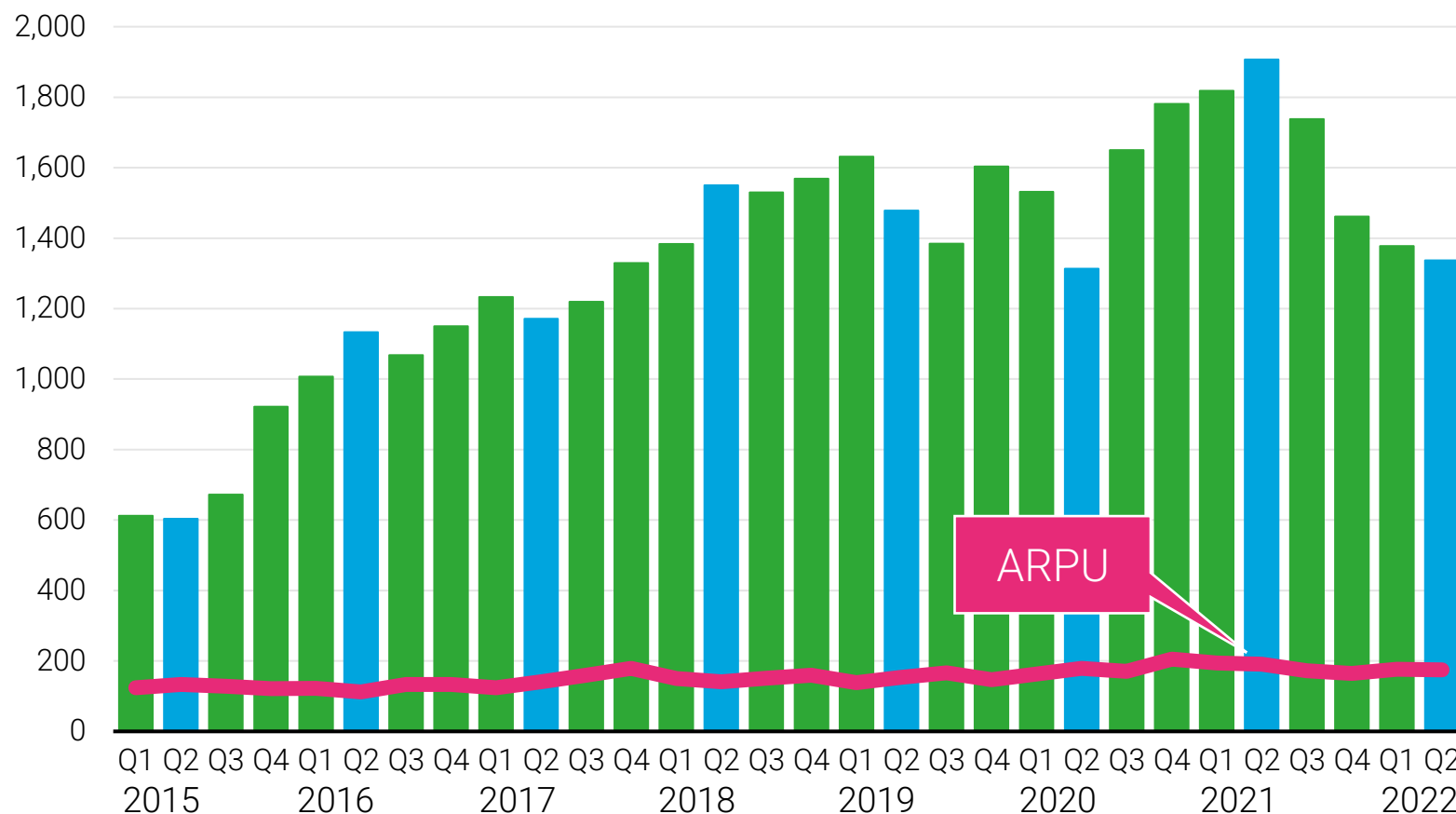


Actives adversely impacted by the temporary Dutch market closure



- Number of active customers amounted to approx. 1.34 million, a 30% decrease compared to the all-time high achieved in Q2 2021
- Expected decrease as a result of the closure of services to Dutch residents and EURO 2020 boosting activity in the prior year
- The ARPU remained broadly in line with Q1 2022 but showed approx. 8% decline vs. Q1 2021

Active customers ('000)/
ARPU (GBP)



Product segment update

[Year-on-year]

Sports betting

- GWR 43% behind tough comparatives, adversely impacted by temporary ceasing of Dutch activity
- Excl. Netherlands GWR decreased 28% as a result of lower sports betting margin and Euros 2020 inflating 2021 activity
- Kindred's proprietary racing product contributed 7% to the total sports betting GWR

Casino & games

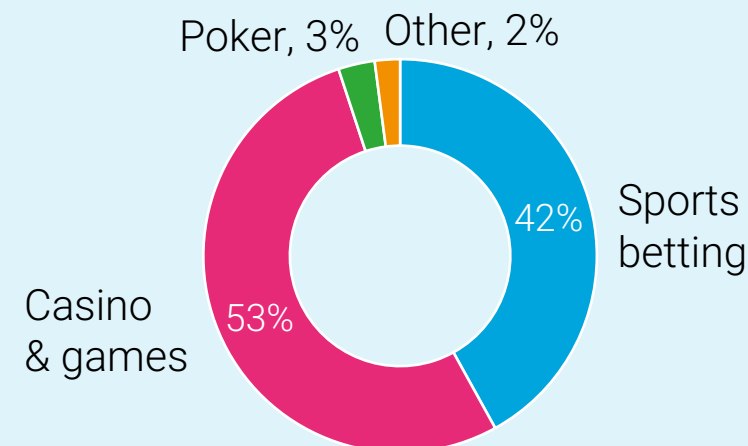
- GWR decreased by 30%. When excluding Netherlands GWR was 1% higher than the same quarter last year
- Continued strong activity despite offline segment now being reopened across our markets

Poker and other products

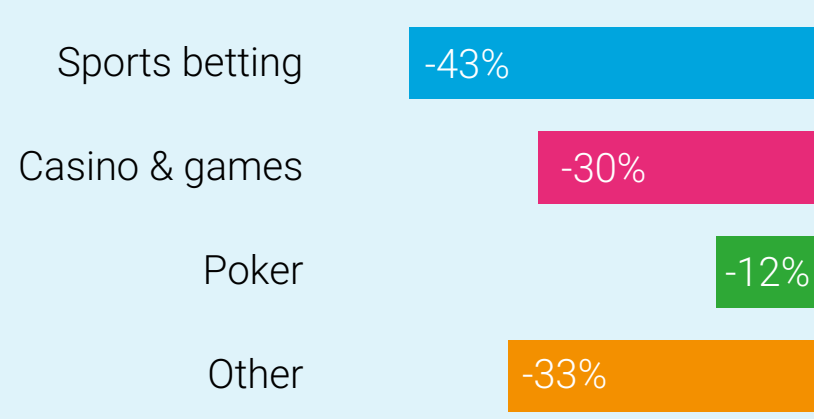
- Poker and other products stable at around 5% of total GWR



GWR by product segment Q2 2022



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

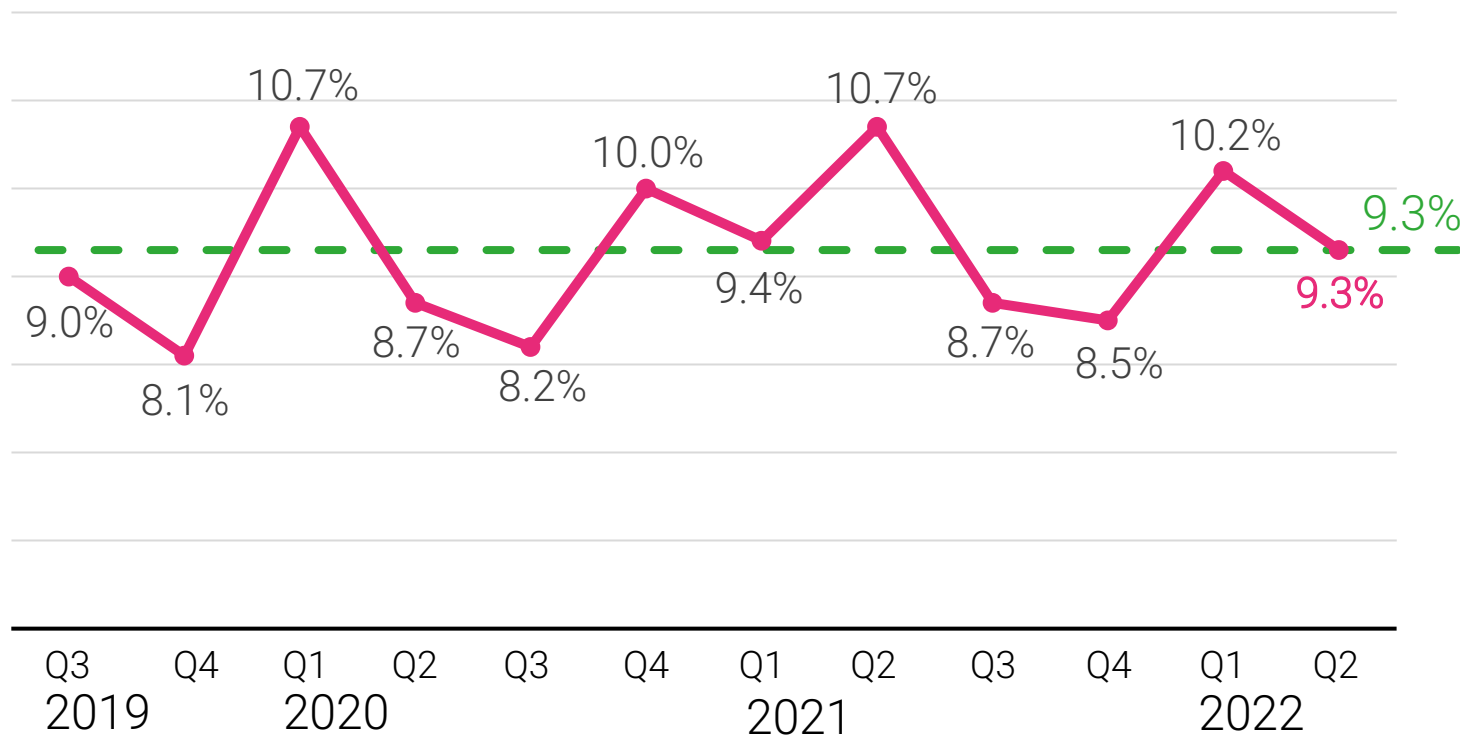


Sports betting margin in line with long-term average



- The sports betting margin for Q2 2022 was 9.3% after free bets (vs. 10.7% in Q2 2021) driven by favourable market and product mix
- The weighted long-term (since Q3 2019) average sports betting margin after free bets is 9.3%
- The long-term average margin has gradually increased as a result of:
 - France with capped pay-out at 85% increasing share of total sports betting turnover
 - Increasing share of pre-match and racing which have higher margin than live betting
 - Increasing share of multiples and Betbuilder

Sports betting margin after free bets





Regional update

[Year-on-year]

Western Europe

- GWR decreased 51% against the all-time high in 2021. Excl. Netherlands, the GWR decreased by 22%
- Belgium was flat while the UK and France declined against the strong GWR posted in Q2 2021
- UK negatively impacted short-term with a magnitude of around GBP 12m by further tightening of affordability measures

Nordics

- GWR decreased by 2% with solid performance in markets in the region reporting GWR growth

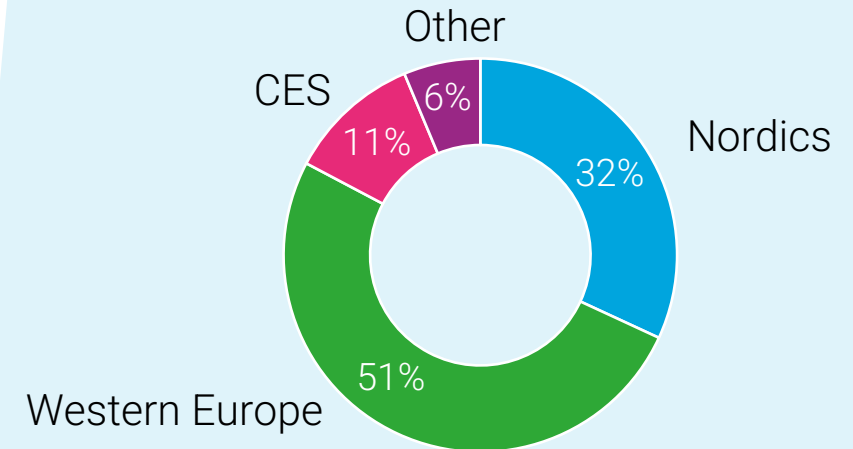
Central, Eastern and Southern Europe (CES)

- GWR decreased by 7% as a result of lower sports betting GWR due to tough comparatives set in 2021

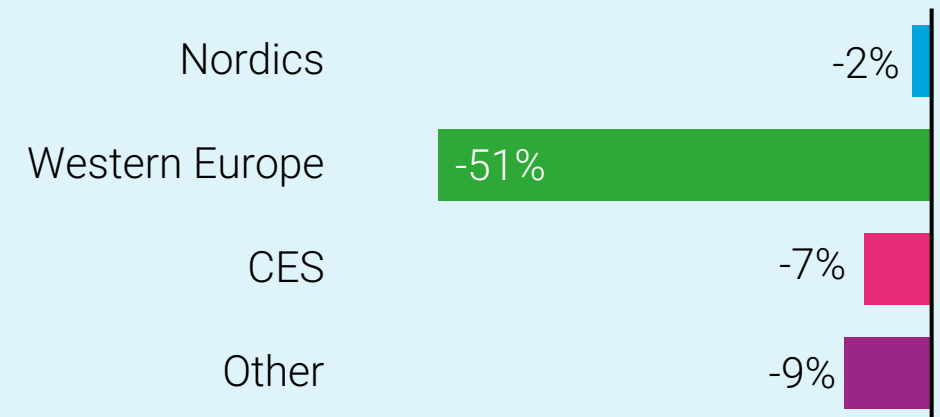
Other

- GWR declined by 9%, driven by Australia where the GWR was impacted by very low sports betting margins

GWR by region Q2 2022



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



Live in the Netherlands with a strong start

- The Unibet.nl site launched on the 4th of July
- Netherlands is Kindred's 20th locally regulated market
- Strong performance during the first weeks despite gradual ramp up, limited marketing and thin sports calendar
- Unibet is one of the most well-known brands in the Netherlands
- Kindred aims to secure a top 3 position by the end of 2022 and the longer-term target is to become the #1 operator
- EBITDA contribution expected to be positive already during next few months



KPIs for the period 4 July – 19 July 2022

Daily average
GWR

GBP ~150k

of active
customers

~ 30k

92%
of customers
have had
expectations
exceeded/met

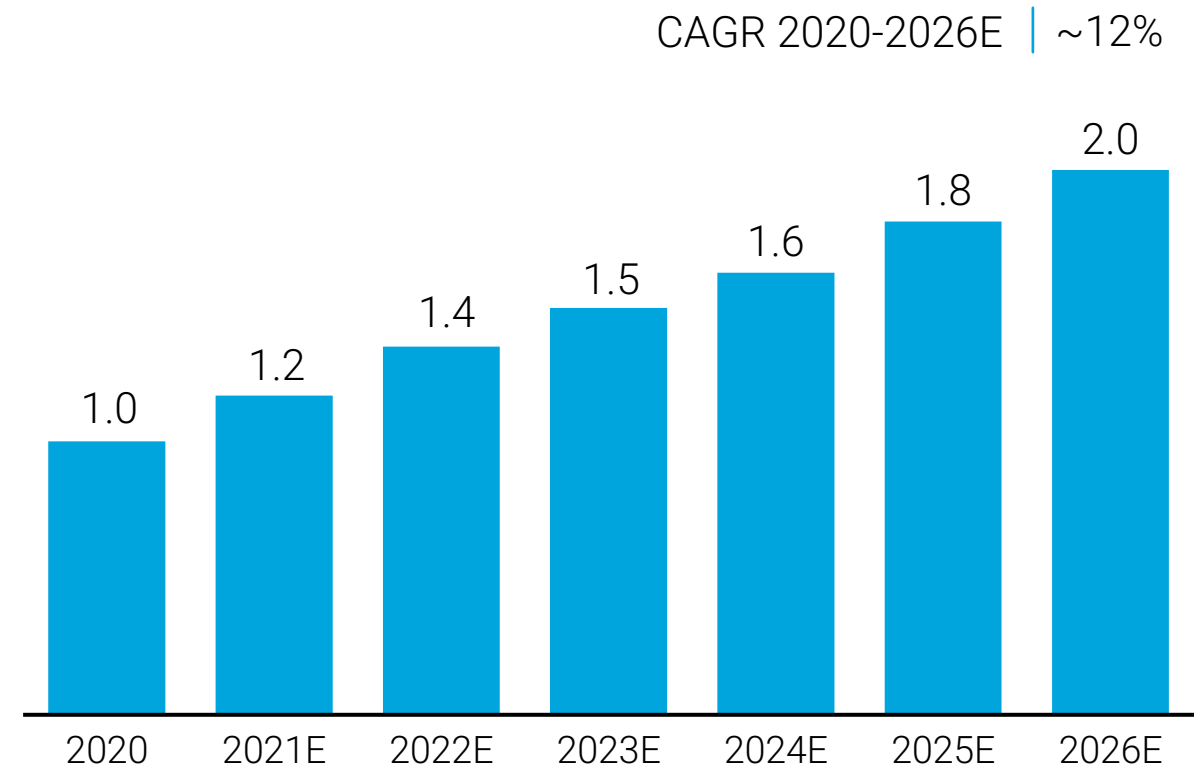


Netherlands is a large and rapidly growing market



- Netherlands is an attractive market with high entry barriers
- Since October 2021, a total of 19 operators have been granted a remote gambling licence
- 17 operators are currently live with a Dutch site
- Market size estimated at approx. EUR 1.4bn and expected to almost double in size over the next few years
- The online penetration in the Netherlands is low and expected to remain below the European average for several years
 - H2GC estimates that the online penetration will increase from 35% in 2022 to 43% in 2026

Netherlands total online gambling market gross win (EURbn)



Source: H2 Gambling Capital July 2022

North American expansion

Important long-term growth opportunity

- Ontario was added to Kindred's portfolio of licensed states and provinces in Q2 and the reporting for North America has now been adjusted to include the whole of the Canadian market
- GBP 7.2m in GWR Q2 2022, approx. -8% y-o-y in constant currency
- The GWR from the US states showed a 13% reported growth (1% in constant currency) with strong development in sports betting
- The GWR from Canada was negatively impacted by the closure of the 32Red business in Ontario and some lost customers upon the migration of Unibet to the licensed domain
- Continued focus on bonus and marketing efficiency
- Mid-term investment focused on states where both Sportsbook and Casino are live
- A key enabler for accelerated growth in North America is our proprietary platform, which subject to regulatory approval, set to launch in New Jersey in Q3 2022 and thereafter rolled out across states

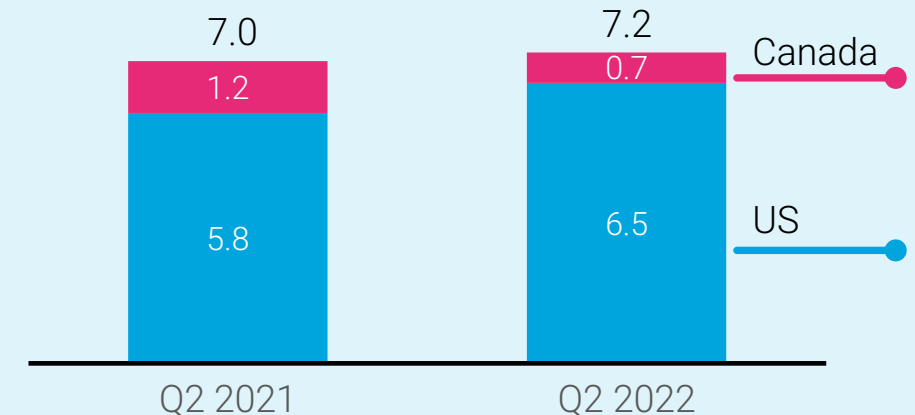


North America operations Q2 2022, GBPm

GWR	7.2
CoS	-7.0
Marketing	-5.3
Admin expenses	-2.3
EBITDA	-7.4

North America GWR development

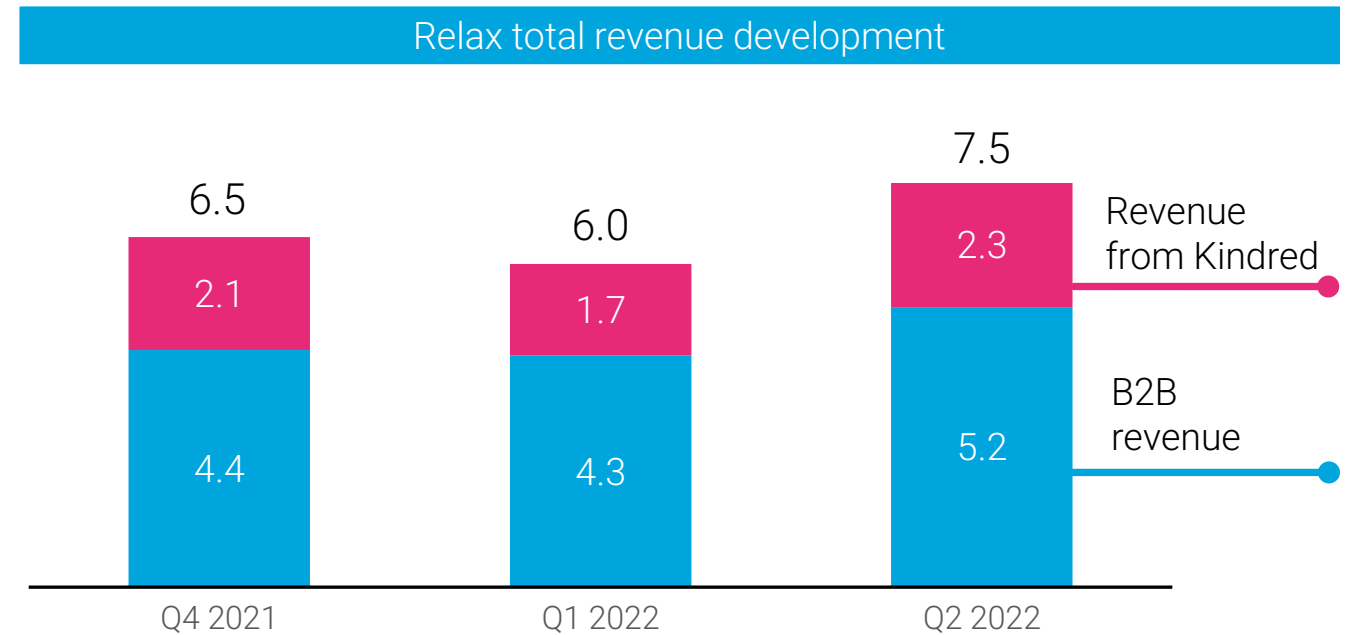
GBPm





Relax total revenue grew 25% sequentially in Q2

- The Q2 B2B revenue from Relax amounted to GBP 5.2m
- Relax total Q2 revenue amounted to GBP 7.5m out of which GBP 2.3m came from Kindred
- Relax gross profit contribution in Q2 was GBP 6.9m vs. GBP 5.6m in Q1 2022
- During Q2 Relax added 15 new operators, launched 6 new games and went live in two new markets (Italy and Spain)
- Successful launch of the innovative Dream Drop jackpot feature in May
- Strong focus on continued growth with several new customer launches during 2022 and a solid pipeline of new games
- Relax is now live in Ontario and subject to licence approval, plans to enter the US market during 2022







Development of KSP is moving forward at pace

- All major milestones have been completed on time since development start
- Quant and Data Science research and development make good progress in all areas
- Steady recruitment in both tech and operations with total headcount associated with Kindred sportsbook now over 220
- Sportsbook client and trading platform is already able to process bets on sports markets
- The plan is to have the platform ready for first market launch around year-end 2023

2022 development milestones

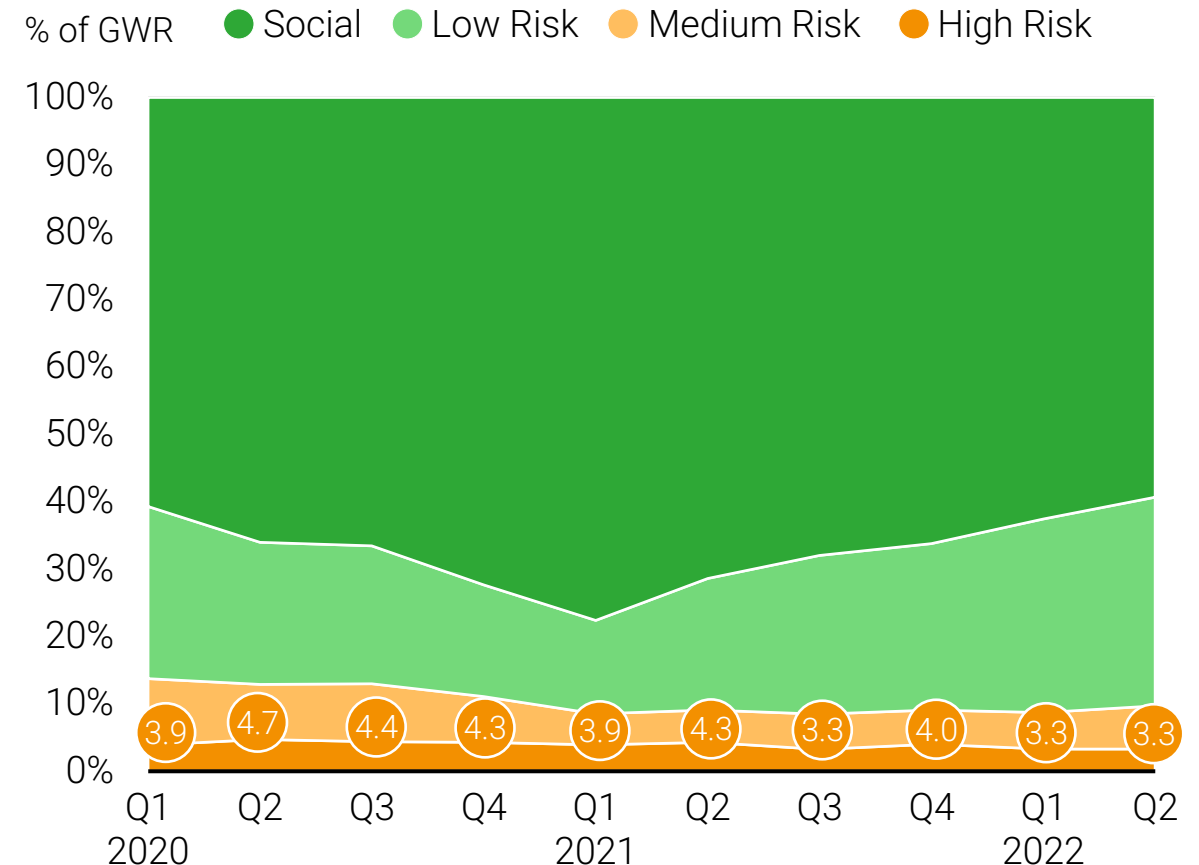
Our feeds gateway is complete and consuming live sports data from industry suppliers	
End-to-end bet placement through to settlement is functional on singles and multiple bets	
Release the first phase of the KSP rewards suite offering a comprehensive toolkit for Kindred CRM teams	Q3 2022
Complete our proprietary Watch & Bet streaming player and continue with progress on data visualisation	H2 2022



Dedicated focus on our journey towards zero

- The journey towards zero per cent of revenue from harmful gambling continues and it is key for sustainable growth
- Data from Q2 2022:
 - Share of GWR from high-risk players: 3.3%
 - Improvement effect after interventions: 84.7%
- Seasonal impact and an improved process of manual interventions towards high-risk customers and the lower age demographic have had positive effect
- In the Netherlands, Kindred launched 'Unibet Impact', a unique programme aimed at promoting a safe and responsible industry
- Kindred will host its annual Sustainable Gambling Conference on 19 October 2022 in Amsterdam

Our journey towards zero





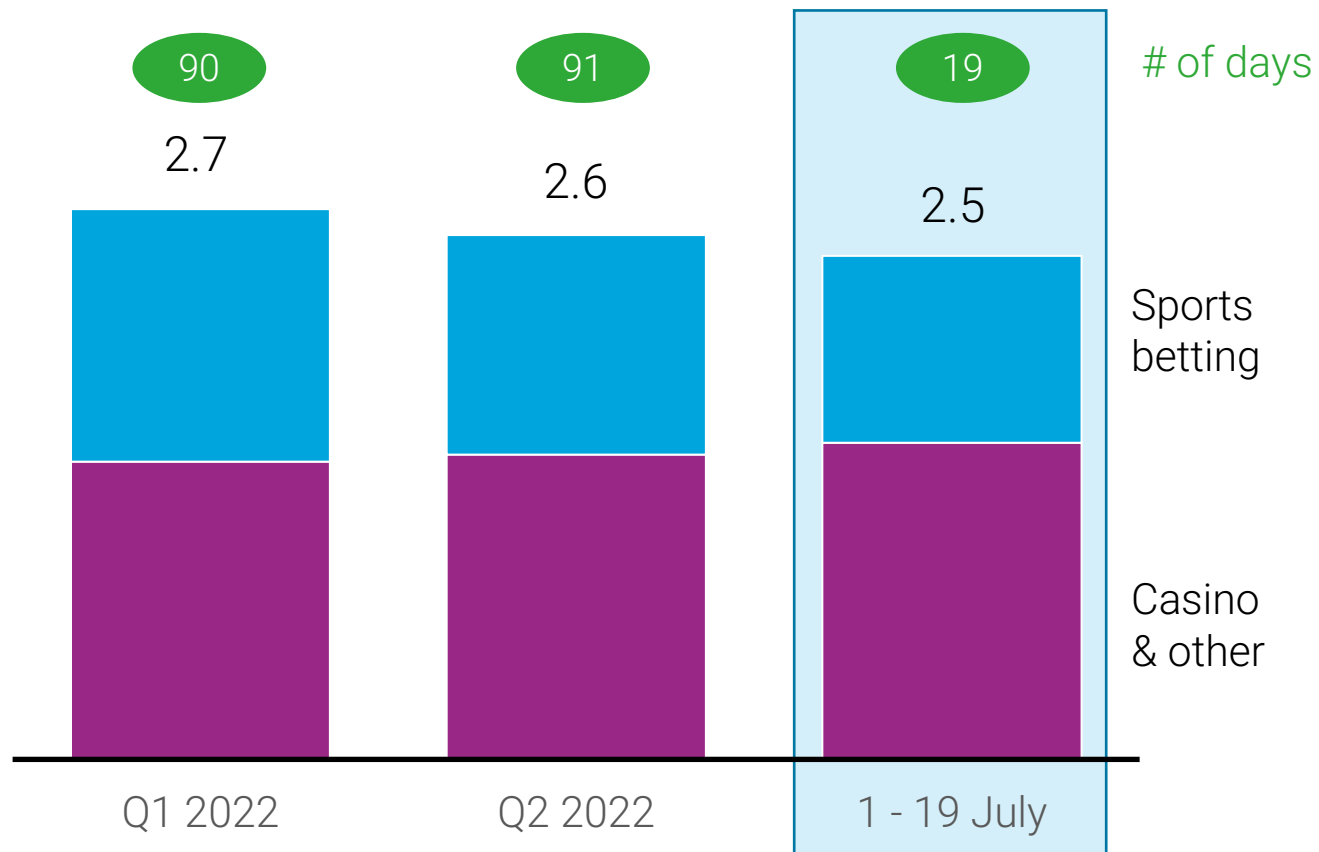
Summary





Trading update for the first 19 days of July

The daily average GWR (GBPm)



- Tough comparative for 2022 as Q3 2021 reported strong numbers incl. the Netherlands
- The average daily GWR (B2C only) for the Group up to and including 19 July 2022 was:
 - GBP 2.5m, 24% (24% in constant currency) lower than for the full Q3 2021
 - GBP 2.3m excl. the Netherlands 3% (2% in constant currency) lower than for the full Q3 2021
- Sports betting GWR during the trading update period impacted by a quiet sports calendar
- The daily average GWR for casino and other products has increased from the level reported for the full Q2 2022, driven primarily by the launch in Netherlands

Despite short-term headwinds, our long-term optimism remains



- Headwinds experienced during past quarters are expected to gradually ease off
- Increased affordability measures, in line with the wider industry, is expected to have continued negative impact in the UK
- We see good progress with the Group's key strategic priorities
 - We have received our long-awaited Dutch licence and we have launched with a strong start
 - Development of Kindred Sportsbook Platform remains firmly on track
 - Relax Gaming continues to show strong growth
 - Locally regulated markets now at 78% and expected to increase
- Exciting fall ahead of us with a packed sports calendar and the first ever winter FIFA World Cup
- But before that, we will enjoy the final stages of the Women's Euro tournament. England is the clear favourite to win at odds 2.50.



Capital Markets Day

14 September 2022
London



Event overview (BST)

11:00am - 12:00pm	Arrivals and brunch
12:00pm - 5:00pm	Investor update
5:00pm - 6:30pm	Drinks reception and canapes
6:30pm - onwards	Departures

- Kindred is pleased to invite investors, financial analysts, and media to a Capital Markets Day in London on 14 September 2022
- During the day, Kindred management will present Kindred's strategic direction, the company's markets, products, and financial performance

Information about the day and the registration, can be found here
www.kindredgroup.com/investors/capital-markets-day-2022/



Q&A

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Calendar



14 September 2022

Capital Markets Day in London



27 October 2022

Q3 2022 will be published at 7.30 CET



8 February 2023

Q4 2022 will be published at 7.30 CET

