KINDRED GROUP PLC

Annual report and parent company financial statements 31 December 2021

Company Registration Number: C 39017

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Directors' report

The Directors present their report and the audited financial statements of Kindred Group plc (the 'company') for the year ended 31 December 2021. The company has chosen to produce consolidated financial statements in a separate document as it believes showing the company and consolidated information individually is clearer to users. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

Principal activities

The principal activity of the company is the holding of investments in subsidiary companies which operate online international sports and other online product betting businesses and related ancillary services.

Swedish Depository Receipts (SDRs), which are quoted on the NASDAQ OMX Nordic Exchange in Sweden, have been issued over and in relation to substantially all of the shares of the company.

Review of the business

The company's financial position is satisfactory. Given the company's principal activity is that of holding investments in subsidiaries, the Directors do not consider the company to have key performance indicators. However, focus is given to the recoverability of its investments and the level of its borrowings, as discussed below.

During the year ended 31 December 2021 the company completed two acquisitions. On 1 April 2021, the company acquired 100 per cent of the shares in Blankenberge Casino-Kursaal NV (Blancas NV) which operates Casino Blankeberge in Belgium, from The Rank Group Plc, an unrelated third party. On 1 October 2021, the company then completed the acquisition of the remaining outstanding shares in Relax Gaming. See note 10 for more information. As a result of these acquisitions, predominantly Relax Gaming, GBP 4.8 million of merger and acquisition costs have been recognised in the income statement in 2021.

The company holds significant investments in its subsidiary companies (including the newly acquired companies during the year). Dividend income from its subsidiaries of GBP 167.2 (2020: GBP 198.1) million was received during the year. The company is required to assess whether any such investments are impaired on an annual basis but did not recognise any impairment in respect of its subsidiaries during the year (2020: GBP nil).

On 11 November 2021, Kindred Group plc entered into a new EUR 216.7 million multi-currency revolving credit facility agreement with two Nordic banks. The agreement spans a three-year period, with a one-year extension option, and has an uncommitted accordion feature that permits, under certain conditions, an increase in total commitments up to EUR 325 million (see note 16 for further details). The initial loan proceeds were used to refinance the amounts outstanding under its previous facilities agreement and, in total, the company drew down GBP 133.7 (2020: GBP nil) million and repaid GBP 133.7 (2020: GBP 115.1) million of its borrowings during the year. As at 31 December 2021 the balance of the facilities utilised was GBP 112.5 (2020: GBP 119.0) million out of a total of GBP 182.1 (2020: GBP 280.0) million. The total borrowings recognised in the statement of financial position of GBP 111.6 million are reported net of the associated transaction fees which were incurred and paid upon entering the agreement and which are being expensed over its duration.

Risk management

Information regarding the company's risk management policies can be found in note 2 to these financial statements.

Directors' report - continued

Going concern

The financial statements have been prepared on a going concern basis despite the net current liability position of GBP 128.4 (2020: net current asset position of GBP 35.6) million. The most significant current liabilities of the company are its intercompany liabilities of GBP 181.9 million and the contingent consideration arising on the acquisition of Relax Gaming of GBP 41.1 million. The company expects that sufficient funds will be available to repay these liabilities, as well as for its ongoing operations and the repayment of its borrowings of GBP 111.6 (2020: GBP 118.3) million when they fall due in November 2024. As well as having access to further funds by means of the unused portion of its revolving credit facility of GBP 69.6 million at 31 December 2021 (as disclosed further in note 16) the Kindred Group, as a whole, is cash generative and maintains a strong cash position at the date of the signing of these financial statements, despite the continued short-term headwinds during 2022. The company has complied with all of the facility covenant requirements during the year and forecasts show that continued compliance with these covenants is expected. The Directors have reviewed the financial position of the company, together with its forecasted cash flows and financing facilities available, and have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum of 12 months following the signing date of these financial statements. For this reason they continue to adopt the going concern basis in preparing these financial statements.

Results and dividends

The income statement and statement of comprehensive income are set out on page 12. The balance of retained earnings at the end of 2021 was GBP 378.4 (2020: GBP 367.7) million, increasing slightly as a result of dividends received from a number of the company's subsidiaries offset by dividends paid and treasury share purchases. The movements in retained earnings are shown in the statement of changes in equity on page 14.

The Board of Directors is proposing a final dividend in respect of the financial year ended 31 December 2021 of GBP 0.337 (2020: GBP 0.330) per ordinary share/SDR, equal to a total dividend of approximately GBP 75.0 (2020: GBP 74.5) million. Following approval at the AGM on 13 May 2022, the instalments will be paid out in two equal tranches on 20 May 2022 and 18 November 2022. See note 17 for further information.

Share purchase programme

As a result of share purchase programmes, approved by the shareholders, the Board have been authorised to acquire ordinary shares/SDRs in the company. The Board can either cancel the shares (requiring further shareholder approval), use them as consideration for acquisitions, or issue them to employees under a share award programme.

Between 1 March and 30 April 2021, under the buy-back mandate received at the Extraordinary General Meeting (EGM) on 11 June 2020, 1,317,000 shares/SDRs were purchased at a total price of SEK 190.0, or GBP 16.2, million. Between 26 July and 17 December 2021, under the buy-back mandate received at the EGM on 10 June 2021, 4,652,000 shares/SDRs were purchased at a total price of SEK 600.0, or GBP 50.2, million. In total in 2021, 5,969,000 shares/SDRs were purchased at a total price of SEK 790.0, or GBP 66.4, million. The purpose of these share purchases is to return excess cash to Kindred's shareholders.

During the year, 1,453,519 (2020: 255,163) of the total shares/SDRs held by the Group were used in connection with the vesting of the Group's share plans. The number of issued shares at 31 December 2021 was 230,126,200 of which 7,486,839 are held by the Group, representing 3.3 per cent of the total number of issued shares.

Directors' report - continued

Events after the reporting period

On 9 February 2022, Kindred announced a new share purchase programme under the buy-back mandate received at the EGM on 10 June 2021. The programme is running between 10 February 2022 and 12 May 2022 and amounts to a total of up to SEK 300.0 million. Between 10 February 2022 and 12 May 2022, 3,029,000 shares/SDRs were purchased at a total price of SEK 299.9 million. After these purchases, the total number of issued shares in the company is 230,126,200 and Kindred's holding of its own shares is 10,515,839.

Following the escalation of the geopolitical tensions in Russia and Ukraine during February 2022, whilst the company and the Group are not directly exposed to these jurisdictions, management will continue to actively monitor the situation and will assess any impact as it is deemed to arise.

In March 2022, the company made a capital contribution to Unibet Interactive Inc. of USD 10.0 million (GBP 7.6 million).

Directors

The Directors of the company who held office during the year and up to the date of these financial statements are:

Peter Boggs
Gunnel Ellinor Duveblad
Erik Forsberg
Carl-Magnus Månsson
Fredrik Peyron (appointed 12 May 2021)
Heidi Cecilia Elizabeth Skogster (appointed 12 May 2021)
Evert Hakan Carlsson (appointed 12 May 2021)
Anders Ström (resigned 12 May 2021)

Each of the company's Directors is required under the Articles of Association to retire at each Annual General Meeting, but unless the Directors have agreed otherwise, they are eligible for re-election. Each of the company's existing Directors were re-elected at the Annual General Meeting on 13 May 2022.

Statement of Directors' responsibilities for the financial statements

The Directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements, which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the financial performance for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

Directors' report - continued

Statement of Directors' responsibilities for the financial statements - continued

The Directors are also responsible for designing, implementing and maintaining internal controls relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website in view of their responsibility for the controls and the security of the website.

Access to information published on the company's website is available in other countries and jurisdictions, where legislation in Malta and Sweden covering the preparation and dissemination of financial statements may differ from requirements in other jurisdictions.

Disclosure of information to the auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers Malta, have indicated their willingness to continue in office, and a proposal to re-appoint them has been sent to the Nomination Committee.

On behalf of the board

Gunnel Duveblad

Evert Hakan Carlsson
Chairman and Director

Gunnel Ellinor Duveblad
Director

Registered office:
c/o Camilleri Preziosi
Level 2, Valletta Buildings
South Street
Valletta, VLT 1103, Malta

13 May 2022

Independent auditor's report

To the Shareholders of Kindred Group plc

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of Kindred Group plc (the company) as at 31 December 2021, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Kindred Group plc's financial statements, set out on pages 12 to 40, comprise:

- the income statement and statement of comprehensive income for the year ended 31 December 2021;
- the statement of financial position as at 31 December 2021;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

pwc

Independent auditor's report - continued

To the Shareholders of Kindred Group plc

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

We did not provide any non-audit services to the company in the period from 1 January 2021 to 31 December 2021.

Our audit approach

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report relating to the stand-alone company audit of Kindred Group plc. For key audit matters relating to the consolidated group audit, refer to the Kindred Group plc 2021 Annual Report (accessible at www.kindredgroup.com).

Other information

The directors are responsible for the other information. The other information comprises the directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report - continued

To the Shareholders of Kindred Group plc

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Independent auditor's report - continued

To the Shareholders of Kindred Group plc

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the company's trade, customers and suppliers, and the disruption to its business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The *Annual Report and Parent Company Financial Statements 2021* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

pwc

Independent auditor's report - *continued*

To the Shareholders of Kindred Group plc

Area of the ***Annual Report and Parent Company Financial Statements 2021*** and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report (on pages 1 to 4) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).
	In addition, we are required to state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Independent auditor's report - continued

To the Shareholders of Kindred Group plc

Area of the *Annual Report and Parent Company Financial Statements 2021* and the related Directors' responsibilities	**Our responsibilities**	**Our reporting**
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Independent auditor's report - *continued*

To the Shareholders of Kindred Group plc

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the company on 28 June 2006. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 16 years.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Simon Flynn
Partner

13 May 2022

Income statement

	Note	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Dividend income from shares in subsidiaries		**167,156**	198,135
Merger and acquisition costs	4	**(4,768)**	(309)
Other (losses)/gains	5	**(1,735)**	375
Administrative expenses	6	**(920)**	(1,163)
Profit from operations		**159,733**	197,038
Finance costs	7	**(4,627)**	(4,859)
Finance income	8	**629**	59
Foreign exchange losses on borrowings		**-**	(8,633)
Share of profit from associate	10	**-**	150
Profit before tax		**155,735**	183,755
Income tax expense	9	**(8,351)**	(17,015)
Profit for the year		**147,384**	166,740

Statement of comprehensive income

	Note	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Profit for the year		**147,384**	166,740
Other comprehensive income			
Gains on net investment hedge	2	**6,469**	-
Total comprehensive income for the year		**153,853**	166,740

The notes on pages 16 to 40 are an integral part of these financial statements.

Statement of financial position

	Note	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
ASSETS			
Non-current assets			
Investments in subsidiaries	10	**741,926**	527,503
Investment in associate	10	**-**	1,645
Deferred tax asset	11	**2,866**	2,866
Other non-current assets		**85**	85
Total non-current assets		**744,877**	532,099
Current assets			
Trade and other receivables	12	**473**	19
Cash and cash equivalents	13	**2,262**	29,432
Taxation recoverable		**95,944**	90,361
Total current assets		**98,679**	119,812
Total assets		**843,556**	651,911
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	**144**	144
Share premium	14	**81,513**	81,513
Currency translation reserve	14	**6,469**	-
Retained earnings		**378,432**	367,693
Total equity		**466,558**	449,350
Non-current liabilities			
Borrowings	16	**111,640**	118,308
Other financial liabilities at fair value through profit and loss	2.2	**38,261**	-
Total non-current liabilities		**149,901**	118,308
Current liabilities			
Trade and other payables	15	**186,024**	84,194
Tax liabilities		**21**	59
Other financial liabilities at fair value through profit and loss	2.2	**41,052**	-
Total current liabilities		**227,097**	84,253
Total liabilities		**376,998**	202,561
Total equity and liabilities		**843,556**	651,911

The official closing middle rate of exchange applicable between the presentation currency and the euro issued by the European Central Bank as at 31 December 2021 was EUR 1.190 (2020: 1.112).

The notes on pages 16 to 40 are an integral part of these financial statements.

The financial statements on pages 12 to 40 were authorised for issue by the Directors on 13 May 2022 and were signed on its behalf by:

Gunnel Duveblad.

Evert Hakan Carlsson
Chairman and Director

Gunnel Ellinor Duveblad
Director

Statement of changes in equity

	Note	Share capital GBP 000	Share premium GBP 000	Currency translation reserve GBP 000	Retained earnings GBP 000	Total equity GBP 000
Balance at 1 January 2020		144	81,513	-	197,201	278,858
Comprehensive income						
Profit for the year		-	-	-	166,740	166,740
Total comprehensive income		-	-	-	166,740	166,740
Transactions with owners						
Share awards - value of	20	-	-	-	203	203
Equity-settled employee benefit plan	20	-	-	-	1,816	1,816
Disposal/utilisation of treasury	14	-	-	-	1,733	1,733
Total transactions with owners		-	-	-	3,752	3,752
Balance at 31 December 2020		**144**	**81,513**	**-**	**367,693**	**449,350**
Balance at 1 January 2021		144	81,513	-	367,693	449,350
Comprehensive income						
Profit for the year		-	-	-	147,384	147,384
Other comprehensive income for the year		-	-	6,469	-	6,469
Total comprehensive income		-	-	6,469	147,384	153,853
Transactions with owners						
Share awards - value of	20	-	-	-	1,188	1,188
Equity-settled employee benefit plan	20	-	-	-	(7,259)	(7,259)
Disposal/utilisation of treasury	14	-	-	-	10,366	10,366
Treasury share purchases	14				(66,452)	(66,452)
Dividend paid	17	-	-	-	(74,488)	(74,488)
Total transactions with owners		-	-	-	(136,645)	(136,645)
Balance at 31 December 2021		**144**	**81,513**	**6,469**	**378,432**	**466,558**

The notes on pages 16 to 40 are an integral part of these financial statements.

Statement of cash flows

	Note	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Cash flows from operating activities			
Cash generated from operating activities	18	**74,337**	147,954
Income taxes refunded net of tax paid		**43,670**	-
Net cash generated from operating activities		**118,007**	147,954
Cash flows from investing activities			
Interest received		**-**	1
Net cash generated from investing activities		**-**	1
Cash flows from financing activities			
Loan fees paid		**(2,081)**	(642)
Interest paid		**(2,156)**	(4,144)
Dividends paid	17	**(74,488)**	-
Treasury share purchase	14	**(66,452)**	-
Proceeds from borrowings	16	**133,681**	-
Repayment of borrowings	16	**(133,681)**	(115,080)
Net cash used in financing activities		**(145,177)**	(119,866)
Net (decrease)/increase in cash and cash equivalents		**(27,170)**	28,089
Cash and cash equivalents at beginning of year		**29,432**	1,343
Cash and cash equivalents at end of year	13	**2,262**	29,432

The notes on pages 16 to 40 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These company financial statements are prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, applicable interpretations issued by the IFRS Interpretations Committee (IFRS IC) and the Maltese Companies Act (Cap. 386).

The company has also prepared consolidated financial statements in accordance with IFRSs as adopted by the EU for the company and its subsidiaries (the "Group"). The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 December each year. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Note 21 to these financial statements indicates where the consolidated financial statements can be obtained from. Kindred Group plc has chosen to produce consolidated financial statements in a separate document as it believes showing the company and consolidated information individually is clearer to users.

The company financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the company financial statements are disclosed in note 3.

The financial statements have been prepared on a going concern basis despite the net current liability position of GBP 128.4 (2020: net current asset position of GBP 35.6) million. The most significant current liabilities of the company are its intercompany liabilities of GBP 181.9 million and the contingent consideration arising on the acquisition of Relax Gaming of GBP 41.1 million. The company expects that sufficient funds will be available to repay these liabilities, as well as for its ongoing operations and the repayment of its borrowings of GBP 111.6 (2020: GBP 118.3) million when they fall due in November 2024. As well as having access to further funds by means of the unused portion of its revolving credit facility of GBP 69.6 million at 31 December 2021 (as disclosed further in note 16) the Kindred Group, as a whole, is cash generative and maintains a strong cash position at the date of the signing of these financial statements, despite the continued short-term headwinds during 2022. The company has complied with all of the facility covenant requirements during the year and forecasts show that continued compliance with these covenants is expected. The Directors have reviewed the financial position of the company, together with its forecasted cash flows and financing facilities available, and have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum of 12 months following the signing date of these financial statements. For this reason they continue to adopt the going concern basis in preparing these financial statements.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

New and amended standards and interpretations adopted by the company

There are no new standards and amendments adopted by the company for the first time for the financial year commencing 1 January 2021 that had a material impact on the amounts recognised in prior periods or that are expected to materially affect the current or future periods.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2021 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory and have not been early adopted by the company. They are not expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

1.2 Foreign currencies

The presentation currency of the financial statements is GBP since that is the currency in which the shares of the company are denominated. GBP is also considered to be the functional currency of the company. Transactions in currencies other than GBP are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the statement of financial position date. Profits and losses arising on exchange are included in the net profit or loss for the period. Gains and losses arising on operations are recognised within other (losses)/gains.

Unrealised gains and losses arising on the retranslation of the company's foreign currency denominated borrowings were recognised within finance costs or finance income up until 31 December 2020. From 1 January 2021, the company implemented a net investment hedge relationship between its EUR and SEK borrowings and its foreign operations' net assets denominated in the same currencies. For detailed information on the company's accounting policy in relation to hedging activities refer to note 1.14.

1.3 Dividend income

Dividend income is recognised when the company's right to receive payment is established.

1.4 Taxation

The tax expense represents the sum of the tax currently payable and movements in deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that were never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.4 Taxation - continued

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer expected that sufficient taxable profit will be available to allow all or part of the asset to be recovered.
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.5 Investments in subsidiaries

Investments in subsidiaries are accounted for by the cost method of accounting, net of any impairment losses. Provisions are recorded where, in the opinion of the Directors, there is an impairment in value. Such provisions are recognised as an expense in the period in which the impairment is identified.

The results of subsidiaries are reflected in these financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

1.6 Investments in associated companies

Investments in associated companies (associates) are accounted for by the cost method of accounting, net of any impairment losses. Provisions are recorded where, in the opinion of the Directors, there is an impairment in value. Such provisions are recognised as an expense in the period in which the impairment is identified.

The results of associates are reflected in the company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.7 Financial assets

1.7.1 Recognition and measurement

The company classifies all of its financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. The company determines the classification of its financial assets at initial recognition.

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Those with maturities greater than 12 months after the statement of financial position date are classified as non-current assets. Financial assets at amortised cost are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

1.7.2 Impairment

The company's financial assets, comprising other receivables and cash and cash equivalents measured at amortised cost, are subject to the expected credit loss model.

The company considers the probability of default on initial recognition of an asset, of which all were considered to have low credit risk upon initial recognition. The company then considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, including:

- external credit ratings (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations; and
- significant changes in the behaviour of the counterparty, such as the status of payments.

Regardless of the analysis above, an increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan. The company assesses a receivable for write off when a debtor fails to make contractual payments more than 120 days past due. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the income statement.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.7 Financial assets - continued

1.7.2 Impairment - continued

The assessment of loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions, based on the company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. No significant changes to estimation techniques or assumptions were made during the reporting period.

Cash and cash equivalents are measured at 12 month expected credit losses because credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The maximum exposure to credit risk for cash and cash equivalents, and trade and other receivables, is represented by their carrying amount.

1.8 Trade and other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired (see note 1.7.2). The amount of the expected loss allowance is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the original effective interest rate.

1.9 Cash and cash equivalents

Cash and cash equivalents consist of deposits held at call with banks.

1.10 Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or as financial liabilities measured at amortised cost. The company determines the classification of its financial liabilities at initial recognition.

The company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

They are presented as current liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

(a) Financial liabilities at fair value through profit and loss
Financial liabilities at fair value through profit or loss are carried on the statement of financial position at fair value with gains or losses recognised in the income statement.

Contingent consideration has arisen from the acquisition of Relax Gaming during 2021. At the acquisition date contingent consideration is recognised at fair value, with subsequent changes in fair value recognised in the income statement. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.10 Financial liabilities - continued

(b) Financial liabilities measured at amortised cost
Financial liabilities measured at amortised cost are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs.

1.11 Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method. Trade and other payables principally comprise amounts payable to subsidiaries. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.12 Borrowings and finance costs

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Interest and other borrowing fees are recognised in finance costs within the income statement.

1.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.14 Hedging activities

The company uses hedge accounting, in the form of a net investment hedge, to mitigate the risk of exposure to foreign currency movements on foreign currency denominated borrowings.

At inception of the hedge relationship, the company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The company documents its risk management objective and strategy for undertaking its hedge transactions.

Notes to the financial statements - continued

1. Summary of significant accounting policies - continued

1.14 Hedging activities - continued

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in gains on net investment hedge within other comprehensive income and accumulated in the currency translation reserve in equity. These are then reclassified to the income statement when the foreign operation is partially disposed of or sold.

The company assesses the 'effectiveness' of the net investment hedge in accordance with the requirements of IFRS 9 and accordingly the unrealised gains and losses arising on the retranslation of the company's borrowings are recognised in other comprehensive income where the net investment hedge is deemed to be 'effective'. Gains and losses are reported within the income statement, within finance costs or finance income, to the extent that the hedge is ineffective.

1.15 Share capital and share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the allotment of shares are charged against the share premium account.

1.16 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

1.17 Share-based employee remuneration

The company operates several equity-settled share-based compensation plans, under which Group companies receive services from employees as consideration for equity instruments (performance shares) in the company. The fair value of the employee services received in exchange for the grant of performance shares is recognised as an expense by the employing companies. The total amount to be expensed is determined by reference to the fair value of the performance shares granted, including market performance conditions and the impact of any non-vesting conditions, and excluding the impact of any service or vesting conditions. Non-market performance and service conditions are included in assumptions about the number of share-based payments that are expected to vest. The total amount expensed is recognised over the vesting period of the share-based payments, which is usually between one and a half and four years.

The grant by the company of performance share awards to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the company's financial statements.

At the end of each reporting period, the company revises the estimates of the number of share-based payments that are expected to vest. It recognises the impact of the revision to original estimates, if any, as an adjustment to the investment in its subsidiary undertakings.

When share-based payments vest, the company may issue new shares. Proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Notes to the financial statements - continued

2. Financial and capital risk management

2.1. Financial risk factors

The company's activities potentially expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management approach, covering risk exposures for all Group undertakings, focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the company's financial performance. Financial risk management is managed by the Finance team reporting through the Treasury Risk Management Committee to the Board of Directors. The Board of Directors supervises strategic decisions, including the management of the Group's capital structure.

(a) Foreign currency exchange risk
The company and its subsidiaries operate internationally and are therefore exposed to a number of different foreign currencies. In particular, the company reports its financial results in GBP, but has significant investments in subsidiaries that conduct business in a variety of currencies. At the year end, the company has access to a multi-currency revolving loan facility, of which GBP 69.6 million is unused (see note 16 for more information). At such time that the company draws down further on the facility, a currency translation exposure related to that financial liability may arise.

Hedge of net investment in foreign operations
From 1 January 2021, the company uses hedge accounting, in the form of a net investment hedge, to mitigate the risk of exposure to foreign currency movements on foreign currency denominated borrowings. This is in relation to the elements of the company's borrowings at the end of the financial year denominated in EUR and SEK (as detailed in note 16). Up until 31 December 2020, these gains and losses were recognised within the income statement and amounted to a loss of GBP 8.6 million for the 2020 financial year. From 1 January 2021, these gains and losses are recognised in other comprehensive income where the net investment hedge is deemed to be 'effective'. To the extent that the hedge is ineffective, the gains and losses are reported within the income statement, within finance costs or finance income.

The effects of the foreign currency-related hedging instruments on the company's financial position and performance are as follows:

	2021	2020
Carrying amount (non-current borrowings) (GBP m)	**81.6**	-
EUR carrying amount (m)	**EUR 62.0**	-
SEK carrying amount (m)	**SEK 371.0**	-
Hedge ratio	**1:1**	-
Change in carrying amount of borrowings as a result of foreign currency movements since 1 January, in other comprehensive income (GBP m)	**-6.4**	-
Change in value of hedged item used to determine hedge effectiveness (GBP m)	**6.4**	-
Weighted average hedged rate for the year (EUR:GBP)	**1.165**	-
Weighted average hedged rate for the year (SEK:GBP)	**11.834**	-

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

(b) Interest rate risk
The company is exposed to market interest rate fluctuations on its floating rate debt. Increases in EURIBOR (or equivalent interbank offered rates for debt denominated in other currencies) would increase the interest cost of any outstanding and future drawings from its revolving credit facility; however, such increases would not be expected to have a significant impact on the company.

Notes to the financial statements - continued

2. Financial and capital risk management - continued

2.1. Financial risk factors - continued

(c) Credit risk
Credit risk is managed by maintaining a spread of the company's funds across a number of industry established providers. The Group as a whole continually monitors its credit risk with banking partners and did not incur any losses during 2021 as a result of banking failures. For further information please see page 143 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

(d) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and availability of funding for the business. The company ensures adequate liquidity through the management of rolling cash flow forecasts, the approval of investment decisions by the Board of Directors and the negotiation of appropriate financing facilities. As at 31 December 2021, the unused revolving loan facility available to be drawn on was GBP 69.6 (2020: GBP 160.0) million. The company also monitors adherence to debt covenants that relate to its facilities in accordance with the conditions of those instruments, and has been fully compliant with such conditions. See note 16 for more information on the facilities and covenants. As at 31 December 2021, the current liabilities of the company exceeded the current assets by GBP 128.4 (2020: current assets exceeded current liabilities by GBP 35.6) million. The most significant current liabilities of the company are its intercompany liabilities of GBP 181.9 million and the contingent consideration arising on the acquisition of Relax Gaming of GBP 41.1 million. The company expects that sufficient funds will be available to repay these liabilities, as well as for its ongoing operations and the repayment of its borrowings of GBP 111.6 (2020: GBP 118.3) million when they fall due in November 2024. As well as having access to the unused portion of its revolving credit facility, discussed above, the Kindred Group, as a whole, is cash generative and maintains a strong cash position despite the continued short-term headwinds during 2022.

The table below analyses the company's financial liabilities based on the remaining period at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows. See also notes 2.2, 15 and 16 for further information on the company's financial liabilities.

	As at 31 December 2021	
	Less than 1 year	**Between 1-5 years**
	GBP 000	**GBP 000**
Trade payables (note 15)	**3,010**	**-**
Amounts due to subsidiaries (note 15)	**181,892**	**-**
Accruals (note 15)	**1,122**	**-**
Borrowings (note 16)	**3,260**	**121,134**
Contingent consideration (note 2.2)	**42,014**	**42,014**
Total	**231,298**	**163,148**

	As at 31 December 2020	
	Less than 1 year	Between 1-5 years
	GBP 000	GBP 000
Amounts due to subsidiaries	83,471	-
Accruals	723	-
Borrowings	3,749	120,940
Total	87,943	120,940

Notes to the financial statements - continued

2. Financial and capital risk management - continued

2.2 Fair values of financial instruments

The carrying value of the company's financial assets and financial liabilities approximated their fair values at the year end.

The company's financial liabilities measured at fair value through profit and loss have been classified into levels depending on the inputs used in the valuation technique, as follows:

- Level 1: quoted prices for identical instruments;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

The company's financial liabilities at fair value through profit and loss consist of the contingent consideration on the acquisition of Relax Gaming which has been classified as level 3. Expected cash outflows are estimated based on the terms of the agreement entered into as part of the Relax Gaming acquisition (see note 10 to the financial statements and also note 25 of the consolidated financial statements of Kindred Group plc for 2021 for further detail), as well as the company's knowledge of the business and how the current economic environment is likely to impact it. The contingent consideration has been fair valued using a discount rate commensurate with the riskiness of the expected pay-out. For the year ended 31 December 2021, total contingent consideration amounted to GBP 79.4 (2020: GBP nil) million, of which GBP 41.1 million is expected to be paid within 12 months of the reporting date and GBP 38.3 (2020: nil) million expected to be paid in 2023.

2.3 Capital risk management

The company's capital comprises cash and cash equivalents, borrowings and total equity attributable to the owners.

The company's objectives in respect of capital risk management are to safeguard the company's ability to continue as a going concern (see note 2.1 (d)) in order to provide returns for shareholders while maintaining an appropriate capital structure. In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or sell assets. The company's capital structure is managed in the context of the Kindred Group. More information on capital risk management related to the overall activities of the Kindred Group can be found on page 144 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and judgements concerning the future and the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to the financial statements - continued

3. Critical accounting estimates and judgements - continued

Impairment of investments in subsidiaries
The company's principal assets are investments in subsidiaries. The company is required periodically to assess whether such assets have suffered impairment in accordance with the accounting policy described in note 1.5. The carrying value of investments in subsidiary undertakings are reviewed for impairment on an annual basis. The recoverable amount is determined based on the value in use. The use of this method requires the estimate of future cash flows expected to arise from the continuing operation of the subsidiaries and the choice of a suitable discount rate in order to calculate the present value. Actual outcomes could vary significantly from these estimates. Please see note 10 for further details.

Contingent consideration in business combinations
The company exercises judgement in determining the fair value of contingent consideration as part of a business combination. Total contingent consideration at 31 December 2021 is GBP 79.4 (2020: GBP nil) million. See note 2.2 for further information on the nature of the judgements made in relation to this balance during the year.

4. Merger and acquisition costs

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Merger and acquisition costs	**4,768**	309

Merger and acquisition costs during 2021 are primarily in relation to the acquisition of Relax Gaming on 1 October 2021.

5. Other losses/(gains)

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Foreign exchange losses/(gains)	**621**	(375)
Fair value losses	**1,114**	-
	1,735	(375)

Fair value losses relate to the contingent consideration recognised as a result of the Relax Gaming acquisition during 2021.

6. Administrative expenses

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Directors' remuneration	**668**	686
Other operating costs	**252**	477
	920	1,163

All auditors' remuneration is borne by a subsidiary and not recharged. The company does not have any employees.

Notes to the financial statements - continued

7. Finance costs

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Interest and fees payable on bank borrowings	**4,627**	4,859

Finance costs on bank borrowings include renewal, agency and commitment fees.

8. Finance income

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Other interest receivable	**-**	59
Foreign exchange gain on dividend payment	**629**	-
	629	59

9. Income tax expense

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Current tax:		
Current tax expense (at 35.0 per cent)	**58,392**	67,104
Current tax expense (at 27.5 per cent)	**-**	871
Amounts recoverable on intra-group dividend income	**(50,041)**	(50,269)
Deferred tax:		
Deferred tax credit (note 11)	**-**	(691)
Total tax charge	**8,351**	17,015

The tax on the company's profit before tax differs (2020: differs) from the theoretical amount that would arise using the basic tax rate as follows below.

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Profit before tax	**155,735**	183,755
Tax on profit at 35%	**54,507**	64,314
Tax effect of:		
Amounts recoverable on intra-group dividend income	**(50,041)**	(50,269)
Expenses / income not deductible / taxable for tax purposes	**3,885**	3,713
Deferred tax arising on the capital loss/gain upon exercise of share options through share buy-back programme	**-**	(691)
Prior year adjustments	**-**	(52)
Total tax charge	**8,351**	17,015

Notes to the financial statements - continued

10. Investment in subsidiaries and associated companies

	GBP 000
Cost of investments:	
At 1 January 2020	2,406,845
Additional investments in subsidiaries	2
Share award charge allocated to subsidiaries (note 20)	3,752
At 31 December 2020	2,410,599
Additional investments in subsidiaries	210,128
Share award charge allocated to subsidiaries (note 20)	4,295
At 31 December 2021	**2,625,022**
Provision for impairment:	
At 1 January 2020	1,883,096
Charged to income statement	-
At 31 December 2020	1,883,096
Charged to income statement	-
At 31 December 2021	**1,883,096**
Net book value:	
At 31 December 2021	**741,926**
At 31 December 2020	527,503

The additional investments in subsidiaries during 2021 relate to the following:

- On 1 April 2021, the company acquired 100 per cent of the issued share capital of Blankenberge Casino-Kursaal NV for cash consideration of GBP 31.1 million. Further details can be found on pages 161 and 162 of the 2021 Annual Report for Kindred Group plc.
- On 1 October 2021, the company completed the acquisition of the remaining outstanding shares in Relax Holding Limited and its subsidiaries (Relax Gaming). The company has been invested in Relax Gaming since 2013 and the transaction meant that it acquired the remaining 66.6 per cent of the outstanding shares. The total investment of GBP 160.8 million consisted of cash consideration of GBP 79.5 million, contingent consideration of GBP 79.7 million and the previously held associate interest of GBP 1.6 million. Contingent consideration relates to earn-out payments that may become payable in 2022 and 2023, subject to Relax Gaming achieving certain earnings thresholds, which have been provisionally fair valued in accordance with relevant accounting standards at the acquisition date and disclosed as other financial liabilities at fair value through profit and loss in the statement of financial position. Further details can be found on pages 162 and 163 of the 2021 Annual Report for Kindred Group plc.
- Capital contributions of GBP 7.2 million and GBP 11.0 million to Unibet Interactive Inc. and Kindred IP Limited respectively.

In the opinion of the Directors, the value of investments in subsidiary undertakings is not less than the aggregate amount of GBP 741.9 (2020: GBP 527.5) million. This assessment is based on the value in use calculated with reference to the discounted cash flow forecasts for each of the reporting segments of the Group as set out in note 11 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21. The Group performs sensitivity analysis of the impairment testing by considering reasonably possible changes in the key assumptions used. The Board believes there are no cash-generating units where reasonably possible changes to the underlying assumptions exist that would give rise to impairment.

Notes to the financial statements - continued

10. Investment in subsidiaries and associated companies - continued

The principal subsidiaries, held directly or indirectly, at 31 December 2021 are shown below:

Subsidiary	Country of incorporation	Description of shares held	Percentage of shares held
Betchoice Corporation Pty Limited	Australia	Ordinary shares	100
Kindred South Development Pty Ltd	Australia	Ordinary shares	100
Unibet Australia Pty Ltd	Australia	Ordinary shares	100
Blankenberge Casino-Kursaal NV	Belgium	Ordinary shares	100
Kindred Belgium NV	Belgium	Ordinary shares	100
Star Matic BVBA	Belgium	Ordinary shares	100
Kindred Denmark ApS	Denmark	Ordinary shares	100
Kindred Estonia OU	Estonia	Ordinary shares	100
Relax Tech Services Oü	Estonia	Ordinary shares	93
Relax Tech Finland Oy	Finland	Ordinary shares	93
Kindred France SAS	France	Ordinary shares	100
32 Red Limited	Gibraltar	Ordinary shares	100
Kindred (Gibraltar) Limited	Gibraltar	Ordinary shares	100
Platinum Gaming Limited	Gibraltar	Ordinary shares	100
Relax Gaming (Gibraltar) Ltd	Gibraltar	Ordinary shares	93
Firstclear Limited	Great Britain	Ordinary shares	100
Kindred (London) Limited	Great Britain	Ordinary shares	100
Kindred Services Limited	Great Britain	Ordinary shares	100
Relax Gaming International Ltd	Isle of Man	Ordinary shares	93

Notes to the financial statements - continued

10. Investment in subsidiaries and associated companies - continued

Subsidiary	Country of incorporation	Description of shares held	Percentage of shares held
Kindred Italy SRL	Italy	Ordinary shares	100
Kindred IP Limited	Malta	Ordinary shares	100
Lexbyte Digital Limited	Malta	Ordinary shares	100
Maria Holdings Limited	Malta	Ordinary shares	100
Moneytainment Media Limited	Malta	Ordinary shares	100
Relax Gaming Ltd	Malta	Ordinary shares	93
Relax Holding Ltd	Malta	Ordinary shares	93
Spooniker Ltd.	Malta	Ordinary shares	100
SPS Betting France Limited	Malta	Ordinary shares	100
Trannel International Limited	Malta	Ordinary shares	100
Unibet (Belgium) Limited	Malta	Ordinary shares	100
Unibet (Denmark) Limited	Malta	Ordinary shares	100
Unibet (Germany) Limited	Malta	Ordinary shares	100
Unibet (Holding) Ltd	Malta	Ordinary shares	100
Unibet (Italia) Limited	Malta	Ordinary shares	100
Unibet Services Limited	Malta	Ordinary shares	100
Relax Tech Services DOO	Serbia	Ordinary shares	93
Kindred Spain Tech, S.L.	Spain	Ordinary shares	100
Kindred People AB	Sweden	Ordinary shares	100
PR Entertainment AB	Sweden	Ordinary shares	100
Relax Tech Services DOO	Sweden	Ordinary shares	93
Unibet Interactive Inc.	USA	Ordinary shares	100

Notes to the financial statements - continued

10. Investment in subsidiaries and associated companies - continued

With the exception of subsidiaries acquired during the year, the proportion of ownership and voting power in 2021 was unchanged from 2020. Those acquired during the year are Blankenberge Casino-Kursaal NV, Relax Tech Services Oü, Relax Tech Finland Oy, Relax Gaming (Gibraltar) Ltd, Relax Gaming International Ltd, Relax Gaming Ltd, Relax Holding Ltd, Relax Tech Services DOO and Relax Tech Services DOO.

As mentioned earlier in this note, on 1 October 2021 the company acquired a further interest in Relax Holding Limited which had previously been recognised as an associated company. Since the acquisition date, the company owns 93% of the company and its investment in the company and its subsidiaries is now recognised as investment in subsidiaries in the statement of financial position. The movements in the company's interest in its associate is shown below, which amounts to an interest of nil (2020: 33.4) per cent as at 31 December 2021:

	Year ended 31 December 2021	Year ended 31 December 2020
	GBP 000	GBP 000
At 1 January	**1,645**	1,495
Share of profit from associate	**-**	150
Disposal of associate following business combination achieved in stages	**(1,645)**	-
Carrying value at 31 December	**-**	1,645

11. Deferred tax asset

	GBP 000
At 1 January 2020	2,175
Credited to the income statement (note 9)	691
At 31 December 2020	2,866
At 1 January 2021	2,866
Credited to the income statement (note 9)	-
At 31 December 2021	**2,866**

The deferred tax asset is expected to be recovered after 12 months and is made up as follows:

	As at 31 December 2021	As at 31 December 2020
	GBP 000	GBP 000
Unused capital losses	**2,866**	2,866

Notes to the financial statements - continued

12. Trade and other receivables

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
Amounts due from subsidiaries	467	-
Other receivables	6	19
	473	19

At 31 December 2021 and 2020, all receivables were considered to be fully performing. No interest is charged on the receivable balance. The company does not hold any collateral as security over these balances. Due to the short-term nature of the other receivables, their carrying amount is considered to be the same as their fair value. No estimated credit loss has been booked in respect of these receivables.

Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

13. Cash and cash equivalents

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
Cash at bank and in hand	2,262	29,432

14. Share capital and reserves

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
Share capital authorised		
1,600,000,000 (2020: 1,600,000,000) ordinary shares of GBP 0.000625 each	1,000	1,000
Share capital issued and fully paid		
230,126,200 (2020: 230,126,200) ordinary shares of GBP 0.000625 each	144	144

As at 31 December 2021 the total amount of issued shares in Kindred Group plc was 230,126,200 with a par value of GBP 0.000625. Of these, 7,486,839 (2020: 2,971,358) shares are held by the company as a result of previous purchase programmes. When these shares are purchased or subsequently utilised, the impact is reflected within retained earnings.

During the year, the Board of Kindred Group plc started exercising the share purchase mandate, which was approved at the Extraordinary General Meeting on 11 June 2020. Between 1 March 2021 and 30 April 2021, 1,317,000 SDRs were purchased at a total cost of SEK 190.0, or GBP 16.2, million.

Notes to the financial statements - continued

14. Share capital and reserves - continued

Subsequently, the Board of Kindred Group plc started exercising the share purchase mandate, which was approved at the Extraordinary General Meeting on 10 June 2021. Between 26 July 2021 and 17 December 2021, 4,652,000 SDRs were purchased at a total cost of SEK 600.0, or GBP 50.2 million.

During 2021, the total amount of purchased shares that were used in connection with the vesting of Group share plans was 1,453,519:

- In March 2021, 1,189,899 purchased shares were used in connection with the vesting of the 2020 long-term incentive plans.
- In June 2021, 263,620 purchased shares were used in connection with the vesting of the 2018 performance share plan.

Share premium

There was no movement in share premium in 2021, nor in the previous year. The share premium arose as a result of various share allotments in previous years.

Currency translation reserve

This reserve of GBP 6.5 (2020: GBP nil) million is a non-distributable reserve. The reserve relates in full to the cumulative effective portion of the current hedging relationship.

15. Trade and other payables

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
Trade payables	**3,010**	-
Amounts due to subsidiaries	**181,892**	83,471
Accruals	**1,122**	723
	186,024	84,194

The amounts due to subsidiaries are unsecured, interest-free, and repayable on demand.

16. Borrowings

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
Non-current		
Bank borrowings - due in 1-5 years	**111,640**	118,308
Current		
Bank borrowings - due within 1 year	**-**	-
Total borrowings	**111,640**	118,308

Notes to the financial statements - continued

16. Borrowings - continued

The carrying amounts of the company's borrowings are denominated in the following currencies:

	As at 31 December 2021 GBP 000	As at 31 December 2020 GBP 000
GBP	**30,000**	29,328
EUR	**51,227**	55,740
SEK	**30,413**	33,240
Total borrowings	**111,640**	118,308

On 11 November 2021, Kindred Group plc entered into a new EUR 216.7 million multi-currency revolving credit facility agreement with two Nordic banks. The loan proceeds have been used to refinance the amounts outstanding under its existing facilities agreement and, going forward, will be used for the company's general corporate purposes.

As at 31 December 2021 the balance of the facility utilised was GBP 112.5 (2020: GBP 119.0) million out of a total of GBP 182.1 (2020: GBP 280.0) million. The total borrowings recognised in the statement of financial position of GBP 111.6 million are reported net of the associated transaction fees which were incurred and paid upon entering the agreement and which are being expensed over its duration.

The borrowings are unsecured and the fair value of the borrowings equals the carrying amount, as the impact of discounting is not material.

Repayments
The facility is for an initial term of three years from the date of the agreement and therefore repayable in full on 11 November 2024, however the agreement also includes a one-year extension option. The previous facilities were repayable in full by 23 July 2022; however, as disclosed above, these were repaid using the loan proceeds from the new facility during the year.

Interest
Interest shall accrue on each advance under the facilities agreement at the rate per annum which is the sum of EURIBOR (or equivalent interbank offered rates for debt denominated in other currencies) plus the applicable margin on 2.2 per cent per annum. The applicable margin for the previous facility was 2.0 per cent per annum.

Covenants
In line with the previous agreement, the new facility agreement is also subject to financial undertakings, principally in relation to leverage ratio and other certain customary covenants which will regulate Kindred and its subsidiaries' ability to, among other things, incur additional debt, grant security interests, give guarantees and enter into any mergers. At 31 December 2021, the company was in compliance with these undertakings. The company anticipates continued full compliance and that if the facility is further utilised in the future, it will be repaid in accordance with contracted terms at any such time.

Notes to the financial statements - continued

16. Borrowings - continued

Reconciliation of movements in borrowings:

	GBP 000
At 1 January 2020	225,427
Net cash flows	(115,080)
Other non-cash movements	(672)
Foreign exchange movements	8,633
At 31 December 2020	**118,308**
At 1 January 2021	118,308
Other non-cash movements	(199)
Foreign exchange movements	(6,469)
At 31 December 2021	**111,640**

17. Dividends

	2021 GBP 000	2020 GBP 000
Dividend paid	**74,488**	-
Dividend per share (GBP)	**0.337**	-

The Board of Directors proposed a final dividend in respect of the financial year ended 31 December 2021 of GBP 0.337 per ordinary share/SDR, equal to a total dividend of approximately GBP 75 million. Following approval at the AGM on 13 May 2022, the instalments will be paid out in two equal tranches on 20 May 2022 and 18 November 2022.

Details of the current dividend (and share purchase) policy can be found on page 114 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

Notes to the financial statements - continued

18. Cash generated from operating activities

Reconciliation of profit from operations to cash generated from operating activities:

	Year ended 31 December 2021 GBP 000	Year ended 31 December 2020 GBP 000
Profit from operations	**159,733**	197,038
Adjustments for:		
Foreign exchange gain on dividend payment	**629**	-
Share-based payments	**3,068**	1,935
Equity settled employee benefit plan	**1,227**	1,816
Fair value adjustments	**1,114**	-
Non-cash investment movements	**(133,061)**	(3,754)
Decrease in trade and other receivables	**295**	14,422
Decrease/(increase) in trade and other payables	**41,332**	(63,503)
Cash generated from operating activities	**74,337**	147,954

Non-cash investment movements relate to payments for investments in the company's subsidiaries that are made by one if its other subidiaries on its behalf. These transactions are therefore non-cash intercompany transactions.

19. Related party transactions

As disclosed in note 10, up until 30 September 2021 the company had a 33.4 per cent interest in its associate, Relax Holding Limited. Relax Holding Limited and its subsidiaries were therefore considered to be related parties of the company. On 1 October 2021, following the acquisition of Relax Holding Limited by Kindred Group plc, Relax Holding Limited and its subsidiaries are now subsidiaries of the company, and any transactions between the two parties are intercompany transactions which are eliminated on consolidation. Any transactions are therefore no longer disclosed as related party transactions within this note. Related party transactions, up until the date at which Relax Gaming became a part of the company, are disclosed below:

- In February 2018, the company agreed to provide a loan facility to Relax Holding Limited for a maximum value of EUR 1.0 million, expiring in April 2020. In line with the loan agreement, interest and fees accrued on the loan balance. In April 2020, the loan agreement was amended and extended for a further two years, with a new expiry date of April 2022. Subsequently, in 2020 the full loan balance was repaid and, as at 31 December 2021, the remaining balance owed to the company was GBP nil (2020: GBP nil).

Dividend income received from shares in subsidiaries is disclosed in the income statement. Dividend payments and payments related to the loan are administered by a fellow group company. Amounts outstanding at the year end arising from these transactions are included within trade and other receivables and trade and other payables in notes 12 and 15 respectively.

Key management personnel compensation, consisting of Directors' remuneration is disclosed in note 6.

Notes to the financial statements - continued

20. Share based payments

The company operates a number of share-based payment schemes as set out within this note.

None of the award holders are employees of the company and the expense calculated under IFRS 2 in relation to these awards has been charged in the relevant employing companies of the award holders. There is therefore no charge in the statement of comprehensive income of the company for the year relating to employee share-based payment plans. The IFRS 2 charge of GBP 4.3 (2020: GBP 3.8) million for the year is recognised in the separate financial statements of the company's subsidiaries employing the award holders and this amount is therefore recorded as an increase in the company's investment in subsidiaries in note 10 and as an increase in the company's reserves.

During 2021, 1,453,519 share awards vested from within the 2020 long-term incentive plans and the 2018 Group Performance Share Plan.

2020 long-term incentive plans (2020 LTIP)
In 2016, the Kindred Group Board approved a long-term incentive plan for all employees and the executive management team ("2020 All Employee Share Plan" and "2020 Executive Management Incentive Scheme"). As a result, 1,481,866 share awards were granted to existing employees on 3 October 2016, with subsequent grants made pro-rata to new employees. The awards were subject to achieving a business performance target for EBITDA in the 2020 financial year and continued employment.

Awards under this scheme vested in full on 31 March 2021. The assessment of the actual business performance against the target condition, EBITDA, in the 2020 financial year confirmed that this had been achieved at greater than 100 per cent. The results for the 2020 LTIP are summarised below and the total number of share awards vested was 1,189,899.

Performance target	Achievement vs. target 2020	2020 LTIP result
EBITDA	172%	100% (capped)

The total charge recognised in 2021 in relation to the 2020 LTIP was GBP -0.6 (2020: GBP 1.8) million.

2021 all employee share plan (2021 AESP)
At the end of 2020, the Kindred Group Board approved a new all employee share plan (2021 AESP), linked to the three-year strategic cycle of the business. The scheme is aimed at all permanent employees of the Group, with the exception of the Executive Management team. Initial grants will be made to all eligible employees on an annual basis in the financial years 2021 to 2023 and will vest after a 24-month period. The first initial grant was made on 1 March 2021. Subsequent half year grants will be made 6 months after the initial grant, only to new employees within that 6 month period, and these will vest after an 18-month period to coincide with the initial grant for that year. All grants are subject to the achievement of Group EBITDA targets and continued employment. During 2021, under this scheme, 470,400 awards were granted on 1 March 2021 and 60,300 awards on 1 September 2021.

The total charge recognised in 2021 in relation to the 2021 AESP was GBP 1.9 (2020: GBP nil) million.

The amount recognised in the statement of changes in equity in respect of both all employee share plans mentioned above of GBP -7.2 (2020: GBP 1.8) million comprises the charges above, offset by the utilisation of treasury shares for the vesting during 2021 of GBP 8.5 (2020: GBP nil) million.

Notes to the financial statements - continued

20. Share based payments - continued

Performance Share Plan (PSP)
The introduction of the Group PSP, regarding the granting of future performance share rights to senior management and key employees, was approved at the 2013 AGM.

The PSP performance measures are non-market-based conditions providing participants with a high degree of alignment to the Group's performance. They are based on continued employment and achieving business performance targets over three financial years. The targets set are EBITDA, Gross contribution (revenue, less cost of sales, less marketing costs), and free cash flow per share. Grants made in each year have targets measured on an aggregate basis between the full year of grant and the two successive years so that performance in each financial year will be important. Aggregated performance against the targets and the resulting allocation of PSP awards are disclosed after the full year of vesting.

On 2 June 2021, the 2018 PSP grants vested in full. The assessment of the actual business performance against the target conditions confirmed that all targets over the three financial years 2018-2020 had been achieved at greater than 100 per cent. The results for the 2018 PSP are summarised below and the total number of share awards vested was 263,620.

Performance targets	Achievement vs. target over 2018-2020	PSP result
EBITDA	116%	100% (capped)
Gross contribution	107%	100% (capped)
Free cash flow	126%	100% (capped)

On 1 June 2021, the Kindred Group granted 543,695 new PSP awards to senior management and key employees (2021 PSP). These grants will vest in June 2024 and are subject to achieving business performance targets over the three financial years 2021-2023 and continued employment. The targets for these plans were approved by the Remuneration Committee and the Board of Directors. The total amount expensed is recognised over the vesting period of the plan, which is three years.

The total charge recognised in 2021 in relation to the Group's PSPs was GBP 3.0 (2020: GBP 1.9) million; of the 2021 amount GBP 1.0 million was recognised in relation to the new 2021 PSP.

The amount recognised in the statement of changes in equity in respect of this scheme of GBP 1.1 (2020: GBP 0.2) million comprises the charge above, offset by the utilisation of treasury shares for the vesting during 2021 of GBP 1.9 (2020: GBP 1.7) million.

Grants made under both the PSP, 2020 LTIP and 2021 AESP share-based payment arrangements are valued using the Black-Scholes option-pricing model. Further details of the assumptions used in the calculation of the fair value of the grants can be found on page 159 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

Notes to the financial statements - continued

20. Share based payments - continued

A reconciliation of awards movement during the year ended 31 December 2021 is shown below:

PSP	2021 Number	2020 Number
Outstanding at 1 January	**1,932,421**	1,355,846
Vested	**(263,620)**	(255,163)
Granted	**543,695**	1,080,605
Lapsed	**(119,081)**	(248,867)
Outstanding at 31 December	**2,093,415**	1,932,421

2020 LTIP	2021 Number	2020 Number
Outstanding at 1 January	**1,213,161**	1,509,592
Vested	**(1,189,899)**	-
Granted	**4,375**	64,081
Lapsed	**(27,637)**	(360,512)
Outstanding at 31 December	**-**	1,213,161

2021 AESP	2021 Number	2020 Number
Outstanding at 1 January	**-**	-
Granted	**530,400**	-
Lapsed	**(80,300)**	-
Outstanding at 31 December	**450,100**	-

The grants under the PSPs, long-term incentive plans and all-employee share plans are at nil cost and therefore the weighted average exercise price for rights outstanding at the beginning and end of the year, exercised, granted and lapsed during the year is GBP nil.

The weighted average remaining contractual life of share awards outstanding at the year-end is estimated to be 1.4 years.

Dilution effects

227,018 share awards lapsed or were cancelled during 2021. If all share-based programmes are fully exercised, the nominal share capital of the company will increase by a total maximum of GBP 1,589.70 (2020: GBP 1,965.99) by the issue of a total maximum of 2,543,515 ordinary shares (2020: 3,145,582 ordinary shares), corresponding to 1 per cent (2020: 1 per cent) of the capital and votes in the company.

The principal terms of the share-based payment schemes and further detail surrounding the schemes can be found in note 22 of the consolidated financial statements of Kindred Group plc for 2021. Details of how to obtain the consolidated financial statements of Kindred Group plc for 2021 are given in note 21.

Notes to the financial statements - continued

21. Statutory information

Kindred Group plc is a public limited liability company which is incorporated and domiciled in Malta.

As explained in note 1.1, these financial statements are those of the company only and not of the Group. The consolidated financial statements of Kindred Group plc are available to the public and may be obtained either from the company's website, www.kindredgroup.com, from the administrative offices of the company at Level 6, The Centre, Tigne Point, Sliema, TPO 0001, Malta, or from the registered office, c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street Valletta, Malta.

Swedish Depository Receipts, which are quoted on the NASDAQ OMX Nordic Exchange in Sweden, have been issued over and in relation to substantially all of the shares of the company. The company is not controlled by any party.

22. Contingent liabilities

As at 31 December 2021 and 31 December 2020, the company in its capacity as parent entity, had given guarantees to provide financial support to certain subsidiaries.

23. Events after the reporting period

On 9 February 2022, the company announced a new share purchase programme under the buy-back mandate received at the Extraordinary General Meeting on 10 June 2021. The programme is running between 10 February 2022 and 12 May 2022 and amounts to a total of up to SEK 300.0 million. Between 10 February 2022 and 12 May 2022, 3,029,000 shares/SDRs were purchased at a total price of SEK 299.9 million. After these purchases, the total number of issued shares in the company is 230,126,200 and Kindred's holding of its own shares is 10,515,839.

Following the escalation of the geopolitical tensions in Russia and Ukraine during February 2022, whilst the company and the Group are not directly exposed to these jurisdictions, management will continue to actively monitor the situation and will assess any impact as it is deemed to arise.

In March 2022, the company made a capital contribution to Unibet Interactive Inc. of USD 10.0 million (GBP 7.6 million).

These events after the reporting period do not require any change in the amounts included in the 2021 financial statements.